

REPORT OF THE

MINORITY OWNED AND

LOCAL SMALL BUSINESS

TASK FORCE

SEPTEMBER 2015



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

MINORITY OWNED AND LOCAL SMALL BUSINESS TASK FORCE

September 15, 2015

The Honorable George Leventhal
Council President
Montgomery County Council
Council Office Building
100 Maryland Avenue, 5th Floor
Rockville, MD 20850

Dear Council President Leventhal,

The Minority Owned and Local Small Business Task Force (MOLSB) was established to provide options for reform of the County programs for minority owned businesses and local small businesses to ensure that the procurement process is open to all vendors without regard to race, gender, national origin, disability or size of organization. The County's Minority, Female, and Disabled-Owned (MFD) Program and Local Small Business Reserve Program (LSBRP) are designed to eliminate the effects of discrimination in the marketplace on the award of County procurement contracts.

The chief aim of the Task Force has been to study all the current policies and procurement practices that have led to the unthinking exclusion of minority and local small firms based on a reflexive use-who-you-know approach. We have met with Department officials, reviewed all procurement practices and fully engaged the public in order to create standards of equity. The Task Force offers herein a range of recommendations which we believe will improve current inequities with respect to the way the County procures goods and services.

The basis for our work was derived from the findings from the July 2014 Disparity Study that was conducted by Griffin & Strong, P.C. This study determined the existence and extent of marketplace discrimination detrimental to minority business participation. This study documented not only statistical disparities in minority business participation in government contracts, but also excessive patterns of exclusion by exclusively dealing with an informal "good old boy" network of non-MFD vendors. Furthermore, according to Griffin & Strong the statistical evidence in this Study, combined with anecdotal accounts and an examination of purchasing practices, show that there is significant basis for inference of passive participation and/or evidence of past discrimination against minority owned businesses in Montgomery

County. The Study also highlighted that “African American owned firms are the only race/ethnic/gender group that was underutilized in every procurement category, in every year of the study”. This underachievement deprives our County taxpayers of the creativity, innovation and technical expertise that could be offered if minority businesses were given a fair opportunity to compete within the local government contracting environment. These unfair denials of opportunities have not only created a thicket of obstacles for most small and minority owned firms to compete for contracts, but have also denied opportunities for small and minority businesses to create jobs and drive the economy forward.

The Office of the County Attorney and the Council’s Senior Legislative Attorney have expressed concerns over the potential for legal challenges to the Task Force’s recommendations to strengthen MFD participation. This is due to the U.S. Supreme Court’s 1989 *Richmond v. Croson* decision, which held that the City of Richmond’s Minority Business Utilization Plan violated the equal protection clause of the Fourteenth Amendment to the United States Constitution. However, the decision also stated that, “it is beyond dispute that any public entity, state or federal, has a compelling interest in assuring that public dollars, drawn from the tax contributions of all citizens, do not go to serve and finance the evil of private prejudice.”

Once implemented, the recommendations will create an environment in Montgomery County that will empower minority owned businesses by increasing their access to markets, capital, and business opportunities. It will also expand the tax base, revitalize communities and create more jobs. The success or failure of MFD participation will affect more than just the minority owned businesses it aims to assist. As the minority population continues to have rapid growth in Montgomery County, the results of this group’s business endeavors will continue to affect issues of wealth creation and poverty reduction on a much larger scale. Therefore, the viability of these firms will be progressively more important to the growth and strength of the County’s economy. In other words, the failure of minority businesses to fully realize their potential represents a huge drain on the economic vitality of Montgomery County.

In summary, we believe that bold and immediate actions are necessary to ensure that employees of County government and companies that conduct business with the County become more conscious of the manner in which they conduct business. No segment of the business community should be excluded or discriminated against in the solicitation, selection, or treatment of suppliers and vendors.

I would like to extend my appreciation to the County Council for my appointment to serve and present this important work. I would also like to thank my colleagues for their outstanding contributions and collaboration and to all the legislative staffers and County officials that took time and contributed to our findings and recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read 'H. Taylor', with a long horizontal flourish extending to the right.

Herman L. Taylor

Minority Owned and Local Small Business Task Force Members

MEMBER LIST

The Honorable Herman Taylor, Chair

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*Resigned June 2015

Report of the Minority Owned and Local Small Business Task Force

Contents

Letter from Task Force Chair	i
Task Force Membership	iii
Contents	iv
Executive Summary	1
Task Force Background.....	3
Recommendations	6
Minority, Female, and Disabled-Owned Businesses Program Improvements.....	6
Local Small Business Reserve Program Improvements	12
Outreach Improvements	14
Accountability Improvements	15
Increasing Capacity of Local Small and Minority Firms	17
Preliminary Recommendations Survey	19
Summaries.....	
Disparity Study	27
Minority, Female, and Disabled-Owned Business Program	33
Local Small Business Reserve Program	37
Atlanta Equal Business Opportunity Program.....	40
District of Columbia Certified Business Enterprise Program	44
State of Maryland Minority Business Enterprise Program.....	46
Appendices.....	
Appendix I: Task Force Creation Resolution 17-1253.....	A-1
Appendix II: Appointment Resolution 18-23	A-3
Appendix III: Correspondence and Testimony.....	A-5
Appendix IV: Guest Speaker Presentations	A-9
Appendix V: Councilmember Navarro Memorandum.....	A-73
Appendix VI: Preliminary Recommendations Full Survey Results	A-75

EXECUTIVE SUMMARY

On October 28, 2014, the Council approved Resolution 17-1253¹, which established the Minority Owned and Local Small Business Task Force. This was following the release of the Griffin and Strong Disparity Study, and subsequent review of the extension of the Minority, Female, and Disabled-Owned (MFD) program. The Council asked the Task Force to provide options for the needed reform of the County procurement system and programs for minority owned businesses and local small businesses. This need for reform was due to the results presented in the Griffin and Strong study. The Griffin and Strong report revealed that a business owner's race, ethnicity, gender, and disability status has a statistically significant and adverse effect on becoming newly self-employed as a business owner and on securing public contracting and subcontracting opportunities relative to non-MFD business owners.

The Task Force met from mid-February through early-September to review the MFD and Local Small Business Reserve Program (LSBRP) programs. They also met with a host of procurement stakeholders. Additionally, the Task Force reviewed contracting programs that have had success in other jurisdictions.

The Task Force has developed 24 recommendations will help to improve contracting opportunities for minority owned and local small businesses. Recommendations are organized by program, as well as by ways to improve accountability, outreach, and initiatives to build capacity for minority owned and local small businesses within the County.

Recommendations

I. Minority, Female, and Disabled-Owned Businesses Program Improvements

1. Establish a 35% mandate for local MFD subcontracting.
2. Continue to set annual goals for minority group participation.
3. Bring accountability to the MFD subcontractor participation requirement by undertaking the following:
 - a. Require MFD subcontracting plan submission sooner in the procurement process;
 - b. Require prime contractors to submit written documentation on outreach efforts; and
 - c. Enforce stringent criteria for waivers and improve transparency for approvals or denials.
4. Establish preference points for local-MFD prime contractors.
5. Strengthen MFD program compliance and monitoring.
6. Institute a prompt payment clause for subcontractors.

¹ See Appendix I.

7. Increase number of firms obtaining certification and streamline the County's MFD certification process.
8. Create a Standard Operating Procedure manual for the MFD program.
9. Require minimum number of bids from minority firms.

II. Local Small Business Reserve Program Improvements

10. Require headquarters to be based in Montgomery County.
11. Establish a 50% set-aside for MFD small businesses.
12. Exercise greater scrutiny in approving bridge contracts.

III. Outreach Improvements

13. Expand County outreach programs.
14. Invite potential MFD prime and subcontractors to attend pre-bid conferences for high value contracts.
15. Increase formal interaction between the County and Chambers of Commerce to improve outreach and correct negative perceptions.

IV. Accountability Improvements

16. Establish and appoint an oversight commission.
17. Retroactively apply adopted recommendations.
18. Tie diversity goals to performance.
19. Create Office of Procurement Accountability within the Office of the Chief Administrative Officer.
20. Simplify Request for Proposal boilerplate forms.
21. Prevent unjustified contract bundling.

V. Increasing Capacity of Local Small and Minority Owned Firms

22. Establish a mentorship program.
23. Establish private sector initiatives.
24. Improve financing options.

The Task Force released a survey, which included a preliminary set of 21 recommendations to vendors in the Montgomery County Inter-Agency Central Vendor Registration System, as well as the contacts and lists from Task Force member affiliations. An overwhelming majority of survey participants agreed with the preliminary recommendations. Participants also offered additional suggestions to improve the procurement system and programs for minority owned businesses and local small businesses. An analysis of the survey is included in the report. The full survey results are included beginning on the Appendix A-75.

TASK FORCE BACKGROUND

The Griffin and Strong Disparity Study, based on an analysis of the County's contracting history between July 1, 2007 and June 30, 2012, was officially submitted to the County Council on July 1, 2014. Along with the study, the MFD program was set to sunset and needed to be extended, which is scheduled to occur every five years. This was reviewed in Bill 42-14². On September 29, 2014, the Government Operations and Fiscal Policy (GO) Committee met to receive a presentation from Griffin and Strong on the Disparity Study, discuss Bill 42-14, and receive a report from the Office of Legislative Oversight, Report 2014-11: *Procurement and Small, Minority, Female, Disabled and Locally-Owned Businesses*³.

The Study conducted by Griffin and Strong showed that all minority groups, which include Hispanic American, Asian American, Native American, Female and Person with Disability, and particularly African American firms, were underutilized in the County's procurement of goods and services. This deficit in procurement was noticed by many Councilmembers and served as a prime driver in the creation of a number of procurement improvement initiatives. In advance of the September 29 GO Committee meeting, Councilmember Nancy Navarro, GO Committee Chair, sent a memo⁴ to Councilmembers expressing her support for Bill 42-14, but recommended that the program be extended for one year instead of five. This one-year extension would allow time for review of the program. She recommended creating two Task Forces, one to review the MFD program and LSBRP, and one to review the County's procurement policies, processes and regulations.

On October 28, 2014 the Montgomery County Council approved Resolution 17-1253 to create and empower a Minority Owned and Local Small Business Task Force to provide options for the needed reform of the County procurement system and programs for minority owned businesses and local small businesses.

The resolution provides the following rationale on the need to create the Task Force:

1. The County's current procurement laws and regulations are complex and difficult to navigate for both using departments and vendors.
2. County procurement contracts should be awarded competitively and provide the County with high quality goods and services at reasonable prices.
3. The County procurement process must be open and inviting to all vendors without regard to race, gender, national origin, disability, or size. The County must eliminate the effects of discrimination in the market place on the award of County procurement contracts.

² See http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/bill/2014/20141021_42-14A.pdf.

³ See http://www.montgomerycountymd.gov/OLO/Resources/Files/2014_reports/OLOReport2014-11ProcurementandSmallMinorityFemaleDisabledandLocallyOwnedBusinesses.pdf.

⁴ See Appendix V.

4. The County retained Griffin & Strong, PC (GSPC) to conduct a quantitative analysis of the County's contracting history between July 1, 2007 and June 30, 2012. Within each relevant market, GSPC compared the percentage of firms in each race, ethnicity, gender, and disability group that are qualified, willing and able to perform services used by the County with the percentage of dollars spent by the County on firms in each MFD group. GSPC used this analysis to determine if each MFD group was underutilized or overutilized in each relevant market. GSPC further analyzed the results to determine if the underutilization observed was statistically significant and if the underutilization could be attributed to the MFD status of the firms through both a regression analysis that controlled for other possible explanations, such as business size or experience, and anecdotal evidence.
5. GSPC found a statistically significant underutilization due to the MFD status of the owner for some MFD groups in each procurement category.
6. The County procurement laws have had a preference for minority owned businesses for more than 30 years and a preference for small, local businesses since 2005.
7. To provide options for reform of the County programs for minority owned businesses and local, small businesses, the County Council should create and empower a Montgomery County Minority Owned and Local Small Business Task Force whose recommendations must be presented to the Council.

On January 20, 2015 the Montgomery County Council approved Resolution 18-23⁵ appointing nine members to the Minority Owned and Local Small Business Task Force. The Task Force held its first meeting, a joint meeting with the Procurement Policies and Regulations Task Force, on February 12, 2015. Since February, the Task Force has met on 14 other occasions with elected officials, business and community leaders, County employees, and other stakeholders, as directed in its charge.

In order to better understand the dynamics of the County procurement process, the Task Force met with Pam Jones, Office of Procurement, and Grace Denno, Office of Business Relations and Compliance⁶. The Task Force also received a presentation on the Disparity Study from Rodney Strong, of Griffin and Strong, P.C. Other presenters included Sally Sternbach and DeVance Walker of the Department of Economic Development, Council President George Leventhal, and Dan Hoffman, Chief Innovation Officer and administrator of the Procurement Innovation Project (PIP)⁷. Finally, Cherri Branson, the newly appointed Director of the Office of Procurement, briefed the Task Force regarding the role of the Office

⁵ See Appendix II.

⁶ At that time, the Office of Procurement ("Procurement") and the Office of Business Relations and Compliance ("OBRC") were divisions of the Department of General Services ("DGS"), which was the County's centralized procurement agency. See Co. Charter §§ 313 & 314. A County re-organization (Bill 7-15) resulted in Procurement separating from DGS and becoming a cabinet level entity. The OBRC also separated from DGS, and became a division of Procurement known as the Division of Business Relations and Compliance ("DBRC").

⁷ The Procurement Innovation Project (PIP) is an initiative created by the County Executive and led by the Chief Innovation Officer (CIO). PIP will take a comprehensive look at procurement processes and the optimal organization structure for the new Office of Procurement. The CIO is expected to report recommendations to the County Executive in September 2015.

of Procurement and goals for improvement of the new Office and minority and local small business contracting.

Early in the process, the Council asked the Task Force to provide feedback on pending contracts and procurement legislation. These included:

- Bill 48-14⁸ Purchases from Minority Owned Businesses – Procedures – Request for Proposals;
- Bill 49-14⁹ Formal Solicitation – Reciprocal Local Preference; and
- Bill 61-14¹⁰ Local Business Subcontracting Program.

The Task Force supported the intent of Bill 48-14, which will permit an evaluation factor in a request for proposals to increase the participation of minority owned firms in certain procurement contracts. On behalf of the Task Force, Council staff provided oral comments in support of Bill 48-14 at the March 19, 2015 GO Committee worksession.

The Task Force was not in favor of Bill 49-14. Bill 49-14 established a reciprocal preference for a County-based bidder if the lowest responsible bidder is from another jurisdiction that grants a preference to its own resident bidders. This preference would apply in certain contracts awarded by competitive sealed bidding. Again, Council staff provided oral comments expressing the views of the Task Force at the March 19 GO Committee meeting.

The Task Force was also not in favor of Bill 61-14, which would establish a Local Business Subcontracting Program requiring 10% of the dollars related to an initial procurement contract award that is estimated to be valued at more than \$10 million to be subcontracted to a local business. The Task Force transmitted a June 3, 2015 letter to the Council President expressing their views. This correspondence is included on Appendix A-5.

Finally, the Task Force provided feedback on the reorganization of the Department of Economic Development at the June 9, 2015 public hearing on Bill 25-15¹¹. This testimony is included starting on Appendix A-6.

The Task Force expressed interest in learning more about minority and local contracting programs that have had success in other jurisdictions. These programs include the Equal Business Opportunity Program in Atlanta, the State of Maryland's Minority Business Enterprise Program, and the District of Columbia's Central Business Enterprise Program. Program summaries are included later in this report.

⁸ See http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/bill/2014/20150414_48-14A.pdf.

⁹ See http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/bill/2014/20150414_49-14A.pdf.

¹⁰ The September 17, GO Committee packet for Bill 61-14 can be viewed at the following link: http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/agenda/cm/2015/150917/20150917_GO1.pdf.

¹¹ See http://www.montgomerycountymd.gov/COUNCIL/Resources/Files/bill/2015/20150630_25-15A.pdf.

RECOMMENDATIONS

Based on its analysis of the County's MFD and LSBRP programs, meeting discussions and review of other contracting programs, the Task Force has 24 recommendations that it believes will improve contracting processes and opportunities for minority owned and local small firms. The recommendations and rationale are organized into five sections:

- Minority, Female, and Disabled-Owned Businesses (MFD) Program;
- Local Small Business Reserve Program (LSBRP);
- Outreach Improvements;
- Accountability Improvements; and
- Increasing Capacity of Local Small and Minority Firms.

The Task Force disseminated a survey containing a preliminary set of 21 recommendations to regional businesses. Respondents were asked to indicate whether they agreed or disagreed with each of the recommendations.

I. Minority, Female, and Disabled-Owned Businesses Program Improvements

1. Establish a 35% mandate for local-MFD subcontracting.

The Griffin and Strong study expressed concern around "the methodology utilized for determining availability of MFD companies to establish annual MFD subcontracting goals". Griffin and Strong deemed this practice questionable, noting that it is "unclear whether realistic subcontracting goals are being developed in each purchasing category". The Task Force does not believe that the current goals set annually by the Office of Procurement are sufficient to remedy past discrimination. Based on the findings presented in the Disparity Study, the Task Force believes that aggressive action is needed to remedy the underutilization of minority firms.

Currently, the goals for dollars awarded to MFD firms from solicitations subject to the MFD program are 27% for construction, 18% for professional services, 25% for non-professional services, and 14% for goods. However, in FY14 only 19.6% of dollars went to MFD firms. This is less than the 20.1% achieved in FY13. The State of Maryland's Minority Business Enterprise (MBE) program has a goal of 29%. In FY2014, the State's overall MBE participation was 27.3% compared to 24.4% in FY13.

Although they did not meet their goal, the State reported this as their highest achievement in the history of their MBE Program. While both the State and the County have had issues meeting MFD goals, the State has worked to make changes to increase participation. The Task Force believes that for the County to make substantial progress, aggressive action must be taken and that a mandatory goal of 35% will make clear the County's strong commitment to take aggressive action to overcome past underutilization.

As a part of forming both this recommendation and the later recommendation calling for a set-aside for MFD small business within the LSBRP, the Task Force was briefed on and discussed the Supreme Court case related to the City of Richmond vs. J.A. Croson Co., which

raised the standards by which federal courts will review a set-aside, should lawsuits be brought against the County. After this briefing, the Task Force continued to question why the County cannot have a mandate as strong as the Federal 8(a) program, a program which has been found to be Constitutional. Until the laws that govern Montgomery County minority percentages and set-aside programs are changed, trying to meet the goals of African American and minority participation in procurement will continue to have disparities.

The Task Force recognizes that legal requirements may result in revisions to this recommendation.

Recommendation #1 Survey Response*	Number (#) Respondents	Percent (%) Respondents
Yes	128	82.1%
No	28	17.9%

*The survey question used the word goal, not mandate.

2. Continue to set annual goals for minority group participation.

With the release of the 2014 Disparity Study, the Office of Procurement set goals in FY15 for the minority groups in the four service categories (goods, professional services, non-professional services, and construction) that were underutilized in the previous fiscal year.

The Griffin and Strong Disparity Study found a statistically significant disparity between the number of available MFD firms in the relevant market and utilization, measured by dollars awarded to each of the same MFD groups. The study also found that for prime contracting, African American firms were underutilized in each category and for each type of award. It specifically found and recommended that, “a conclusion that the process by which contracts are awarded in Montgomery County is race neutral finds no support in our regression analysis that finds MFD status lowers the likelihood of success in contracting and subcontracting---particularly for businesses owned by African Americans. Therefore, GSPC recommends that Montgomery County consider instituting a strong, narrowly tailored program to draw more participation from this group in particular.”

The Montgomery County Procurement Department has established a matrix that establishes annual goals by minority group for each procurement category. Since Montgomery County does not have mandatory goals, it has become more apparent that the County MFD program should be revised in order to make sure that specific goals are achieved. The laws that govern Montgomery County MFD participation must be changed to allow flexibility so that the needs of those groups that are underutilized can be specifically addressed, while those groups that are not underutilized in certain procurement categories are not targeted by programs meant to address disparities. When the Task Force discussed the underutilization of African American firms with the Acting Director of the Department of Economic Development, she noted that while she observed this, there isn't any current process to correct the problem.

The Task Force believes it is important that the Council understand that one of the reasons for the low submission from African American firms is due to their lack of knowledge and training in the navigation process of the political infrastructure. For many years, African

American issues were not properly evaluated when they were presented. It was not until 1986 that the Montgomery County Council had its first African American Councilmember. While Montgomery County remains one of the richest counties to live in, African Americans are unequivocally not part of its prosperity.

Recommendation #2 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	142	91.0%
No	14	9.0%

3. Bring accountability to the MFD subcontractor participation requirement.

The prime contractor must be held accountable and be required to meet subcontractor goals. In order to ensure all adequate efforts to comply with the MFD requirements, the Task Force recommends the following:

- a. Require MFD subcontracting plan submission sooner in the procurement process.** Over the years, minority subcontracting has been predicated on meeting a minimum goal. The Griffin and Strong study found there were no teeth to the process. Currently, subcontractor plan submission is part of the negotiation process, which takes place prior to the Office of Procurement executing the final contract and encumbering funds/issuing the notice to proceed.

The submission of a Subcontractor Performance Plan should be submitted with the bid documentation, in order to understand the intent of the contractor to comply with subcontracting goals. This initial plan may be amended during the negotiation process.

- b. Require prime contractors to submit written documentation on outreach efforts.** The current Subcontractor Performance Plan form requires that contractors “provide a statement that summarizes maximum good faith efforts achieved, and/or the intent to increase minority participation throughout the life of the contract or the basis for a full waiver request”. The Task Force recommends that this section of the plan be updated to require that each bidder submit documentation evidencing their outreach efforts to utilize minority firms as subcontractors.

- c. Enforce stringent criteria for waivers and improve transparency for approvals or denials.**

The waiver process used to seek relief from minority participation is over utilized, exacerbating the challenge for minority firms. Unnecessary waivers make it even more difficult for MFD firms to make the necessary gains economically, and do not help the County meet participation goals.

Stringent rules for MFD subcontracting waivers must be enacted. Waivers granted, if any, must be thoroughly reviewed and approved by a second party. Procurement Regulations currently only require review by the Office of Procurement’s Director.

In Sec. 7.3.3.5 (a) of the Procurement Regulations, waivers are allowed in cases where it is “unusually difficult or impossible for the contractor to meet a subcontracting requirement”. This section of the regulations should be strengthened with specific guidance on those conditions. The four waiver reasons permitted by Procurement include:

- 1) Good-Faith Efforts Impaired;
- 2) MFD Unavailable/Not Identifiable;
- 3) MFD Involvement Not Possible; and
- 4) Partial Waiver.

These reasons should be reevaluated to ensure that they cannot be easily circumvented in favor of prime contractors. Good-Faith Efforts, which often include pricing differences, should be evaluated earlier in the solicitation process to ensure that efforts are not impaired. Also, the County should require “Best Efforts” instead of “Good Faith” efforts and this should be defined in the Procurement Regulations.

Finally, there should be more openness, transparency and information available on why a waiver was approved. The County should look into adopting a similar practice held in other jurisdictions, such as the District of Columbia, to proactively make available information on waivers requested and granted, and post this information online. Currently, the MFD waiver information is posted online in the MFD annual report, which is currently done after the fiscal year has closed.

Recommendation #3 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	140	94.6%
No	8	5.4%

4. Establish preference points for Local-MFD prime contractors.

The County should award preference points for local-MFD firms when they are bidding as the prime contractor. Bill 48-14 awards points in Request for Proposals (RFPs) for MFD offerers, regardless of whether they are local. The Task Force is also recommending enhancements to the LSBRP to establish a set-aside for MFD firms, however this would only be for LSBRP eligible contracts. The Task Force recommends permitting preference points in certain contracts for local MFDs when bidding as the prime contractor.

5. Strengthen MFD program compliance and monitoring.

Compliance requires prime contractors to meet the stated participation goals, or if not feasible, attest to the good faith/best efforts made by the prime contractors that are confirmed independently, as well as making sure that the subcontractor agreement requirements at the time of the contract are locked in. In the Disparity Study, Griffin and Strong found that goals were being applied during the procurement process, but again had no “teeth” or little follow-up when it came to contract administration.

Alvin Boss, MFD Program Manager, has fought tirelessly with both contract administrators and prime contractors who have not fully performed their due diligence or enforced the Subcontractor Performance Plan. The only leverage Mr. Boss has had was holding up funding for a contractor that has not shown good faith in seeking and addressing the implementation of the Subcontractor Performance Plan.

Monitoring assures that the subcontractors are actually performing the percentage of work that is set aside or required in the agreement and ensures that if a prime contractor receives a change order, the subcontractor’s percentage reflects the inclusion of the change order. Griffin and Strong found that there was little monitoring of contracts once they were awarded. The Task Force recommends that monitoring and compliance requirements be strengthened with enforceable requirements. Prime contractors should be required to report on a monthly or at least quarterly basis.

In order for improvements to reporting and monitoring to occur, the MFD program must be staffed adequately to bring accountability to the program. Increased staffing will help the program meet its stated goals and improve functionality through adequate monitoring and compliance. The current staffing (one FTE) for the program is insufficient for the program to be effective and compliant. The MFD program needs more staff dedicated to the program. The Task Force recommends Procurement look at what improvements could be made with the addition of one, two or three FTEs. Additionally, Procurement could leverage contractors to help implement and expedite new policies needed to address the report’s recommendations.

Recommendation #5 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	131	87.9%
No	18	12.1%

6. Institute a prompt payment clause for subcontractors.

The Task Force agrees with this recommendation suggested by User Departments in the Disparity Study. This would add financial protections for subcontractors. The County should require prime contractors to report prompt payments on a monthly or quarterly basis to the contract administrators or MFD Program Manager. Additionally, the County must ensure that prompt payment is being made to prime contractors.

Recommendation #6 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	141	94.0%
No	9	6.0%

7. Increase number of firms obtaining certification and streamline the County’s MFD certification process.

Some certifications are very costly to MFD companies and may be prohibitive to obtain. The current six certifications accepted by the County should be reviewed to determine if the process can be streamlined, while maintaining the integrity of the program. It benefits the County to encourage MFD certification, so the County can better assess whether it is meeting its goals. Given the growth of minority owned businesses, the County should be seeing annual growth in the number of MFD certified firms.

Recommendation #7 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	133	91.1%
No	13	8.9%

8. Create a Standard Operating Procedure manual for the MFD program.

An area of concern included in the Disparity Study dealt with the Standard Operating Procedure Manual. Griffin and Strong stated “issuance of the Procurement Manual is optional and failure to follow it is not a basis for a challenge by an offeror”. However, Using Departments said they use it as guidance for making decisions. Additional concern expressed involved the lack of procedures for including MFDs, which are unclear to County staff. There is clearer understanding about the LSBRP. The County Procurement Regulations for the LSBRP offer more guidance than what is available for the MFD program. The Griffin and Strong Disparity Study found Montgomery County was perceived as a closed, exclusionary, informal network. Griffin and Strong believes this is the result of a lack of standardized organization and training, as well as, a lack of transparency.

Griffin and Strong recommends, and the Task Force supports, the production of a Standard Operating Procedure manual that incorporates MFD participation goals and efforts that demonstrate the desire for new MFD engagement with the County. This manual is referenced in Sec. 1.8 of the Procurement Regulations, and is critical if Using Department staff are to properly understand and administer the MFD program. The 2010 Procurement Guide offers broad, but no applicable guidance on how the MFD program is administered. Additionally, the Standard Operating Procedure manual should be a public document. This will illustrate the County’s commitment to rectify negative perceptions about the County’s utilization of MFD firms.

Recommendation #8 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	138	94.5%
No	8	5.5%

9. Require minimum number of bids from minority firms.

The Task Force recommends that the County create a policy requiring a minimum number of bids from African American, Hispanic American, and other minority firms for the next five years to improve underutilization. This recommendation is based on an informal policy that was used at the Rockville Economic Development Corporation to help show a commitment to improving utilization of Rockville based businesses on their contracts. This would encourage County contract administrators to build relationships with more minority firms, and empower minority firms to be responsive and responsible bidders on County solicitations.

Recommendation #9 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	103	72.0%
No	40	28.0%

II. Local Small Business Reserve Program Improvements

10. Require headquarters to be based in Montgomery County.

The Task Force recommends that businesses have their headquarters based in Montgomery County in order to be eligible for the program. Additionally, 50% of income taxes must be paid to Montgomery County. This would increase restrictions on the current LSBRP eligibility requirements, which require businesses to “generate a significant amount of economic activity in the County” and have its “physical business location(s) only in the County; or the business has physical business locations both in and outside of the County, and the County-based location(s) account for over 50% of the business’s total number of employees, or over 50% of the business’s gross sales”¹². The goal of this recommendation is to limit non-local firms, headquartered outside of the County—with few County-based employees, from constantly winning LSBRP contracts.

Recommendation #10 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	88	73.9%
No	31	26.1%

¹² Bill 23-15 (Contracts - Local Small Business Reserve Program – Amendments) replaces “generates a significant amount of economic activity in the County” with “Principle Place of Business”. This does not change how the LSBRP is implemented.

11. Establish a 50% set-aside in the LSBRP program for MFD small businesses.

Many people believe the LSBRP is tailored to minority firms, however, the Task Force was informed that the Office of Procurement does not track data on how many LSBRP awards go to MFD firms. A goal of the LSBRP program is to allow small businesses to be prime contractors instead of performing as a subcontractors. However, for awards over \$50,000, a Subcontractor Performance Plan is requested. These firms must show and prove past performance in the services that are requested by the Using Department.

In the LSBRP program, 20% of eligible contracting dollars are set-aside for awards to local small businesses. The Task Force recommends that the County establish a 50% set-aside under LSBRP specifically for minority firms. Set aside numbers must be adjusted as sub-goals for each minority group based on the utilization and availability for each category of service. However, special attention would be focused at addressing the disparities of African American firms.

As a result of implementing this recommendation, Montgomery County will successfully establish a program to develop minority prime contractors within their local small contracting program. If approved, the Office of Procurement should provide data on the percentage of MFD contractors awarded contracts within the LSBRP program in its annual LSBRP report. This initiative should sunset after five years.

Recommendation #11 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	81	70.4%
No	34	29.6%

12. Exercise greater scrutiny in approving bridge contracts.

Currently, there is no due diligence regarding the availability of local small businesses capable of providing the goods and/or services if a bridge contract is in place. While Montgomery County's terms and conditions are added to bridge contracts, which were originally competed by another jurisdiction, it is difficult to impose and enforce expectations regarding MFD utilization. Bridge contracts are viewed by local small and minority businesses as just one more way for Using Departments to get around LSBRP and MFD requirements. Overuse of bridge contracts take away competitive opportunities that may have resulted in awards to local or minority owned businesses.

The Task Force recommends that greater scrutiny be exercised when approving bridge contracts. More effort should be taken on the part of the County to utilize local businesses providing goods and services in lieu of bridge contracts, especially in cases where the price and value are competitive. If subcontractors are part of the bridge contract, the County should use local subcontractors to meet the MFD requirements.

III. Outreach Improvements

13. Expand County outreach programs.

The Task Force recommends that the County undertake a campaign that emphasizes that Montgomery County is open to doing business with a diverse business community. Seminars that support small and MFD firms are also a great way to make firms feel welcomed to do business. Seminars on bonding, credit, and certification may prove to be popular topics. The County must consider holding events that will bring vendors, prime contractors and users together, such as those held by the State of Maryland and City of Baltimore.

Recommendation #13 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	95	86.4%
No	15	13.6%

14. Invite potential MFD prime and subcontractors to attend pre-bid conferences for high value contracts.

These events will allow prime contractors to engage with potential subcontractors, which will lead to increased utilization of local small and MFD businesses.

Recommendation #14 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	103	96.3%
No	4	3.7%

15. Increase formal interaction between the County and Chambers of Commerce to improve outreach and correct negative perceptions.

With such a robust and ample number of County Chambers of Commerce, the County should offer training and certification, so that Chamber staff can be certified/authorized as providers of information. In addition, the County, and if appropriate the new Economic Development Corporation, should provide professional development training grants for the local Chambers to participate in such training and certification. In order for this recommendation to be effective, incentives and resources need to be established in a systematic approach requiring Chambers and other non-profit business groups attend County events and trainings for continued funding.

To promote this effort, the County should consider holding an annual or bi-annual Small Business Resource Industry Day, whereby, having ALL Chambers exhibiting and allowing contractors to meet with these groups to establish relationships and contacts.

Recommendation #15 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	92	84.4%
No	17	15.6%

IV. Accountability Improvements

16. Establish and appoint an oversight commission.

The Task Force recommends the County appoint a dedicated commission, within the Office of Procurement, to oversee these procurement improvement recommendations through implementation and the ongoing programs.

Members from the Office of Procurement provided an overview of the procurement process to the Task Force. Their presentation was very informative, but it has been the experience of many minority firms that some Procurement staff and contract administrators don't practice or follow the rules that are outlined. Therefore, the commission should also be responsible for reviewing procurement trainings to ensure that they include more extensive training on non-discriminatory practices with MFD participation to meet the outlined goals.

The commission should provide an annual report to the County Executive and County Council. This report should include a plan that would address the need for continued interaction between the Using Departments, Chambers of Commerce, the new Economic Development Corporation, and minority businesses in Montgomery County.

The County Council may also want to task this commission with overseeing the recommendations in the Disparity Study and the report of the Procurement Policies and Regulations Task.

Recommendation #16 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	90	82.6%
No	19	17.4%

17. Retroactively apply adopted recommendations.

All adopted policy changes should be retroactive for existing contracts upon renewal and not just apply to new or expiring contracts.

Recommendation #17 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	74	69.2%
No	33	30.8%

18. Tie diversity goals to performance.

Performance reviews and evaluations would be tied to diversity/inclusion goals being met or exceeded for program managers/contract administrators and Department Directors. The Director of each Using Department, and key employees, should to be evaluated based on quality, transparency, and overall effectiveness of their internal processes to enhance and promote minority business. Each Using Department project manager/contract administrator

would be evaluated on how well they are meeting goals to enhance minority participation when seeking goods and services.

Recommendation #18 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	90	84.1%
No	17	15.9%

19. Create an Office of Procurement Accountability within the Office of the Chief Administrative Officer.

The Griffin and Strong study cited a concern that “Using Departments are not required to use the most recent list of certified MFD vendors furnished by the Director of Procurement. Many of the Using Departments are not taking advantage of the tools for identifying MFD firms that are available to them.” To ensure that key staff are aware of MFD firms, the Task Force recommends the creation of the Office of Procurement Accountability. The Office would be responsible for increasing awareness among Using Departments of minority underutilization and availability goals. Many jurisdictions champion minority contracting, such as the City of Baltimore, State of Maryland and the City of Atlanta. These offices are separate from the purchasing office and report directly to the mayor, governor, or executive.

Recommendation #19 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	76	71.0%
No	31	29.0%

20. Simplify RFP boilerplate forms.

The Office of Procurement’s boilerplate template is around 40 pages long, generic, and can increase depending on the type of procurement and attachments needed. Procurement should revise the template to simplify the documents, which would be based on the type of solicitation.

Recommendation #20 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	103	93.6%
No	7	6.4%

21. Prevent unjustified contract bundling.

Contract bundling has been a practice that continues to hurt small and MFD businesses. Some of the underutilization figures are a result of the County bundling contracts. As the anecdotal evidence in the Disparity Study provides, the “practice places the contract out of the reach of small business and relegates them to the status of a subcontractor” or makes it “virtually impossible for diverse suppliers to meet the requirements”.

The Task Force recommends that the Office of Procurement review its own policies of the current acquisition system and immediately take the necessary steps to develop techniques for mitigating the negative effects of contract bundling on small and minority businesses. Additionally, the County should explore the possibility of Blanket Purchase Agreements and move to discontinue contracts that are currently bundled unnecessarily.

V. Increasing Capacity of Local Small and Minority Firms

22. Establish a mentorship program.

In order to encourage participation on larger contracts, the County should look for instances in which MFD capacity can be increased to match contract size. This would create a prime contractor pipeline so companies can grow from subcontractors to prime contractors. Many MFD's provide goods and services, such as construction and professional services, but don't have the proper infrastructure to handle larger contracts or experience to lead as the prime contractor. Having the capability for a MFD firm with past performance to prime a contract and team with larger firms provides great opportunities to grow. Additionally, allowing MFD firms to team with other firms provide additional avenues for MFD firms to share in a wider array of opportunities.

The County has a forecast of upcoming high value opportunities and the type of companies that may be bidding. The County should review all upcoming high value opportunities and adapt a program, such as that offered in the City of Atlanta, and pilot a Mentor-Protégé and Joint Venture Contract Program to qualified companies that have the capacity to perform the services. The contracts could be offered exclusively to businesses that have entered in a mentor-protégé or joint venture relationship. Alternatively, the program could be incentivized as a preference program. The firms should be limited to local and minority firms.

Recommendation #22 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	89	81.7%
No	20	18.3%

23. Establish private sector initiatives.

Griffin and Strong recommends, and the Task Force supports that the County consider private sector initiatives, such as including MFD goals in their economic development contracts and measuring MFD participation on private sector projects performed by prime contractors who currently do business with the County. Montgomery County could task the newly created Economic Development Corporation with collecting information on private sector vendor diversity.

The Task Force also recommends that Montgomery College, Montgomery County Public Schools, the Maryland-National Capital Park and Planning Commission, the Housing Opportunities Commission, and the Washington Suburban Sanitary Commission, who are all members of the Interagency Procurement Coordinating Council, discuss and report to the

Council on how they can collaborate with County Government to improve participation of MFD firms.

Recommendation #23 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	90	85.7%
No	15	14.3%

24. Improve financing options.

As approved in Bill 25-15, the new Economic Development Corporation's program must include activities "supporting minority, female, and disabled owned businesses, including assisting minority, female, and disabled owned businesses to gain access to capital". The Task Force has identified a number of County, State, and Federal programs geared towards providing MFD firms with capital. However, the Task Force recommends better promotion of these programs and ask the new Economic Development Corporation to identify gaps in financing options.

Recommendation #24 Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	90	82.6%
No	19	17.4%

PRELIMINARY RECOMMENDATIONS SURVEY

After meeting with internal procurement stakeholders, the Task Force wanted to solicit suggestions for potential reforms of the County procurement system from residents, businesses, and community leaders, as required in Resolution 17-1253. The Task Force decided that an electronic form of communication would be the best strategy to reach the largest audience during the summer months. The Task Force built a survey around the preliminary recommendations to get feedback from businesses on each recommendation. The survey also gave respondents an opportunity to offer additional recommendations to improve programs for minority owned businesses and local small businesses that the Task Force did not include in their initial recommendations.

The survey was distributed to 9,518 regional vendors registered in the Montgomery County Inter-Agency Central Vendor Registration System. A total of 3,060 users opened the email message and there were 395 unique clicks on the survey link. The Hispanic Chamber of Commerce also distributed the preliminary recommendations and survey to over 2,200 contacts, of which 336 individuals opened the message. Additionally, Task Force members invited professional contacts to participate in the survey as well. The survey was active for three weeks. Combined efforts to publicize the survey resulted in 243 participants responding to the survey.

The Task Force appreciates those who took the time to review the preliminary recommendations and would especially like to thank those who completed the survey. The average completion rate for users answering questions within the survey was 48.7%. The feedback has helped validate the recommendations of the Task Force, as well as identify areas where clarification or strengthening were needed. The full survey responses are included, starting on Appendix A-75.

Respondent Demographics

Over 57% of survey respondents were professional service providers. Goods providers accounted for almost 17% of survey respondents. There was a near even split of 13% between non-professional services and construction providers.

Of the 243 responses, 92 said they are MFD firms. Of that number, over half are certified with one of the six agencies that the County accepts. Based on survey results, the most widely used certification agency is the Maryland Department of Transportation (MDOT), with over half of respondents being certified through their program. The Virginia Department of Small, Women and Minority Owned Business Program accounted for nearly 23% of respondent certifications. Interestingly, the Federal Small Business Administration 8(a) Program and Women's Business Enterprise National Council had no certified respondents participating in the Task Force survey. Respondents certified through the City of Baltimore and the Capital Region Minority Development Council responded at an equal rate of approximately 13%.

FINAL REPORT OF THE MINORITY OWNED AND LOCAL SMALL BUSINESS TASK FORCE

The largest minority demographic of business ownership participating in the survey was African-American, with just over 33%, followed by female ownership at almost 30%. Hispanic and Asian American survey respondents participated equally, at 15.5%. Person with Disability responses were 4.5% and Native American respondents were approximately 2%.

Over 65% of survey participants have businesses located in Montgomery County. Of those businesses, almost 70% of survey respondents are registered in the LSBRP, while 30% of the local businesses have not completed the registration process for the program.

Survey Feedback

Generally, responses to the Task Force’s preliminary recommendations were viewed favorably. Based on survey results, the following table lists the preliminary recommendations in order of favorability. Note, the Task Force recommendations #4, #12, and #21 were added after the survey, and so have no response.

Recommendation	Agree	Disagree
#14: Invite potential MFD prime and subcontractors to attend pre-bid conferences for high value contracts	96.3%	3.7%
#3: Bring accountability to the MFD subcontractor participation requirement a) Require MFD subcontracting plan submission sooner in the procurement process b) Require prime contractors to submit written documentation on outreach efforts c) Enforce stringent criteria for waivers and improve transparency for approvals or denials	94.6%	5.4%
#8: Create a MFD program Standard Operating Procedure manual	94.5%	5.5%
#6: Institute a prompt payment clause for subcontractors	94.0%	6.0%
#20: Simplify RFP boilerplate forms	93.6%	6.4%
#7: Increase number of firms obtaining certification and streamline the County’s MFD certification process	91.1%	8.9%
#2: Continue to set annual goals for minority group participation	91.0%	9.0%
#5: Strengthen MFD program compliance and monitoring	87.9%	12.1%
#13: Expand County outreach programs	86.4%	13.6%
#23: Establish private sector initiatives	85.7%	14.3%
#15: Increase formal interaction between the County and Chambers of Commerce to improve outreach and correct negative perceptions	84.4%	15.6%
#18: Tie diversity goals to performance	84.1%	15.9%
#16: Establish and appoint oversight commission	82.6%	17.4%
#24: Improve financing options	82.6%	17.4%
# 1: Establish a 35% goal for MFD subcontracting	82.1%	17.9%
#22: Establish a mentorship program	81.7%	18.3%

FINAL REPORT OF THE MINORITY OWNED AND LOCAL SMALL BUSINESS TASK FORCE

Recommendation	Agree	Disagree
#10: Require headquarters be based in Montgomery County	73.9%	26.1%
#9: Require minimum number of bids from minority firms	72.0%	28.0%
#19: Create Office of Procurement Accountability within the Office of the Chief Administrative Officer	71.0%	29.0%
#11: Establish a 50% set-aside for MFD small businesses in LSBRP	70.4%	29.6%
#17: Retroactively apply adopted recommendations	69.2%	30.8%

As the table reveals, some of the recommendations are widely popular. All of the recommendations received a positive response, with most having more than 80% of respondents agreeing with the Task Force. The Task Force was pleased to see this agreement and it believes its recommendations will put the MFD program and LSBRP on a better path.

There were five recommendations where more than 25% of survey respondents disagreed. Again, this number is still relatively small. The following is some of the feedback received from respondents who were not in agreement with these recommendations.

Recommendation #9: Require minimum number of bids from minority firms

- Setting minimums may further complicate the MFD and bidding process and make it more restrictive, costly, timely and confusing for an MFD to bid.
- Good idea but some jobs should be entirely a set aside so the big boys can't control the outcome.
- We should consider this as a goal, but not a requirement.
- Bidding costs money, and if you don't win, you spent a lot of money for nothing.
- There is no way to guarantee a minimum number of bids from minority owned firms. You can't force companies to respond to opportunities.
- What happens when minimum number of bids are not met? Cancel and re-bid? It is not fair for the firms that bid the first time.

Recommendation #10: Require headquarters be based in Montgomery County

- With the use of virtualization, a lot of work may be done FOR other jurisdictions by companies headquartered with employees in Montgomery County. In this case, taxes may be paid out of the County.
- I believe that businesses outside of Montgomery County should be permitted to bid accordingly as long as the business is registered to do business in the State of Maryland.
- It requires small minority businesses to base nearly all of their growth in one county. Many of us need to be able to work for several counties in order to earn enough money to stay in business.
- I think the County should get the best business for the job. If they are headquartered in a neighboring county, that shouldn't count against them.
- Only if all MD counties have the same requirement.

- This hurts businesses already established in other counties that cannot afford to relocate their business or open up additional locations. This only benefits those currently in Montgomery county or new businesses opening in the County.

Recommendation #11: Establish a 50% set-aside for MFD small businesses in the LSBRP program

- Percentage is too high and probably not enough experienced minority firms to fill the 50%. Recommend increasing to 35%.
- I am not certain that it is good to tie both programs so strongly. The MFD should be able to support large contracts which could result in reciprocity barriers by other jurisdictions.
- This takes away from the best and most cost effective and bases everything on minority classifications.

Recommendation #17: Retroactively apply adopted recommendations

- Prices are established at the time of award and economic price adjustments are not considered by the County, in most cases. Retroactively applying any change is unfair and burdensome to the Contractor.
- It will cause project over runs. If you make it retroactive then you will open yourself up for claims.
- This should be done, at re-compete or new contracts.
- If so, pricing should also be renegotiated.
- I don't think that you should go backward, just move forward with the new contracts.
- Too hard to retroactively enforce. Are you going to make prime contractors kick out high-performing small businesses that aren't MFD in order to make these goals retroactive?

Recommendation #19: Create Office of Procurement Accountability within the Office of the Chief Administrative Officer

- Enforcement and accountability should be wholly accomplished through the Office of Procurement reporting to the Director.
- This should not be an isolated effort - it would be better to keep it with general accountability metrics used by the County.
- I agree with the recommendation, but this office should also actively support local small business utilization.

In addition to seeking feedback on each of the recommendations, the Task Force asked respondents to offer additional suggestions to improve contracting opportunities and programs for minority and local small businesses. Like the preliminary recommendations, the feedback was organized in subgroups. The Task Force found the following comments helpful.

Recommendations from Survey Respondents to Improve the MFD Program

- Prompt payment of accepted invoices to all vendors, especially MFD vendors should be considered and incorporated into these changes. MFD companies struggle as-is, as well as primes who utilize MFD subcontractors. By not receiving timely payment from the source, namely the County, puts the prime and subcontractor at significant financial disadvantage.
- Montgomery County-DGS should publish more Requests for Information prior to publishing RFPs. This would allow for a market survey to determine if an MFD entity can perform the work.
- If possible, the MFD office should write an official letter informing any MFD enterprise named as a subcontractor in a proposal that was the low bid and has been provisionally approved for award, that barring any unforeseen changes, they should receive a subcontract.
- There needs to be a qualification process established that sets or defines size and complexity of projects that MFD are allowed to engage in. It creates issues when the prime uses a MFD number and then finds out after the award that the MFD is unqualified to perform.
- The County should enforce minority participation, even with private developers, especially if state or local funding is providing.
- MFD programs or majority-owned minority companies isn't a true measure of diversity. How come a company's workforce isn't also a measure of minority employment or employment of local talent?
- The plan should include some training help for MFD vendors in finance and bidding as well as hiring, keeping, and recruiting employees. Perhaps grouping vendors to assist with Group health insurance requirements and needs for employees. An annual survey from MFD vendor customers to see areas of excellence as well as areas to improve service; then create programs to provide seminars for training to upgrade the service provided. Encourage continued upgrading of the MFD vendor service level through grants for business seminars and management training for all business related events.
- No contract should be rewarded to a company that doesn't have the necessary equipment and before the contract is awarded, there should be a site inspection.
- A summary of why minority owned firms do not get certified, why they don't upload their certifications to the vendor registration system and why they don't respond to solicitations would be helpful.
- The MFD program needs a quarterly report on number of contracts and amount of contract dollars.

Recommendations from Survey Respondents to Improve the LSBRP

- The objective should be to increase the size of the pie. Examine exemptions to the LSBRP program and how exempt solicitations are justified. How much effort is put

into identifying qualified local small businesses -- more staff resources are also needed here. How often do buying departments try to get around LSBRP targets by writing solicitations that favor preselected firms, often from outside the county? There is also a huge area of opportunity in looking at direct purchases that are not carefully monitored or tracked for LSBRP utilization. Setting aside 50% of LSBRP solicitations for MFD firms would be much more effective if a larger percentage of ALL County spending was set aside for the LSBRP.

- I would recommend that LSBRP qualification be determined at the time of bid submission rather than prior to award. Many solicitations have been modified after bid closing when the County determines that someone else can provide a service cheaper - even if one or more LSBRP firms are bidding and the bidding was restricted to LSBRP firms only.
- Too many of the RFPs are written so that an LSBRP entity cannot fully complete the task unless they sub with a large business.
- Eliminate favoritism. The same firms win awards over and over, and while they may be minorities, the other firms are always precluded by various means - not having experience with the particular agency being the primary one. Bar all firms, including minority firms from awards, if they have received 2 awards in a 3 year period.
- Be more responsive. When questions are presented, the contacts have not replied at all, when they sent the solicitation themselves.
- Make sure competitiveness is not based solely on price. It must incorporate value!
- The County should review current and future contracts to determine if they can be restructured or divided to allow for a greater number of primes/LSBRP participants. The County should also consider awarding certain contracts to LSBRP firms as the prime if possible. Financial institutions that support LSBRP primes/MFD firms should be provided an incentive to do so.
- An annual awards program to highlight success.
- Require more stringent vetting process for firms applying for LSBRP and minority vendor status. We have had several situations where we lost awards to much larger national companies because they used their local sales representative's home address (in Montgomery County) as their "office location."

Recommendations from Survey Respondents to Improve Outreach

- Important that outreach provides vendors/contractors greater visibility and interaction with County's contracting officers in order to build working relationships ahead of contracting decisions.
- Highly recommend creating Hispanic outreach activities to further engage this segment. Currently the process is very disjointed and inconsistent impairing the relationship between the County and Hispanic Businesses.

- Create an interested vendor's registry for bids similar to the federal procurement site (fbo.gov).
- I would utilize social media more to promote the county's programs and events.
- A regular schedule of training for minority owned and local small firms would be beneficial. In addition to the topics listed, it also would be helpful to have training on how to write an effective proposal. Partner organizations such as Small Business Development Centers, Latino Economic Development Center, the Maryland Women's Business Center and the Capital Region Minority Supplier Council are already well-positioned to assist with this training.
- Montgomery County should also send emails to registered MFD firms alerting them to current solicitations and pre-bid meetings as they become available. Similar to the Baltimore City/County notification system.
- Add a small budget for technical assistance in viable chambers.
- The types of events described above should be open to all small businesses, not just MFD.

Recommendations from Survey Respondents to Improve Accountability

- Expectations should also be set for turnaround times on solicitations. The County has strict deadlines for when solicitations must be submitted, but sets no expectations for when awards should be made. This causes extra work all around and discourages businesses from submitting proposals when the decision-making process drags out. Timeframes should be established and a system for communicating where a solicitation is in the decision-making process would allow a company to monitor progress.
- The County should adopt an electronic bid submission system similar to Baltimore County.
- Add measureable growth rates for MFD businesses in particular industries.

Recommendations from Survey Respondents to Increase Capacity of Local Small and Minority Firms

- Develop capacity building seminars for presentation to small businesses.
- It would be helpful to have a more user-friendly vendor database of local small businesses, including their minority certifications that would allow buying departments to more easily identify qualified companies for solicitations and also direct purchases. A comprehensive and easy-to-use database could be promoted to private companies throughout the region. Although the current database is available to the public, it is difficult to use and provides limited information about potential vendors.
- If a company is consistently getting contract awards (as a prime or sub), it should be restricted and subjected to a waiting period before getting more business from the County.

- There seems to be a lot of prime and subcontractors that are in the buddy system and only look out for their buddies. This makes it hard for other subcontractors to get work even when they have better capabilities.
- Create a specific fund for MFD businesses.
- Provide access/support for Loan and Bond Guarantee programs within the County program.

SUMMARIES

I. DISPARITY STUDY

Overall Recommendations (from Presentation to the Task Force):

1. **Annual Goals for African American Participation.** African American owned firms are the only race/ethnic/gender group that was underutilized in every procurement category, in every year of the study. (Procurement categories are Construction, Professional Services, Services, and Goods.)
2. **Standard Operating Procedures for Procurement and MFD Officer.** Griffin and Strong's research found that there was a perception of Montgomery County as a closed, exclusionary, informal network. Griffin and Strong believes it is the result of a lack of standardized organization, training, and lack of transparency.
3. **Program Training and Monitoring.** Procurement training should be reviewed and revised to include more extensive training on non-discriminatory practices and MFD participation/goals.
4. **Performance Reviews and Evaluations.** County employees and User Departments should be evaluated based on the quality, transparency and overall effectiveness of their programs and attempts to reach goals.
5. **Private Sector Initiatives.** Montgomery County should consider private sector initiatives, such as including MFD goals in their economic development contracts.
6. **Promote MFD Collaboration/Joint-Venture Contracts.** In order to encourage participation on high-dollar contracts, Montgomery County should look for instances in which MFD capacity can be increased to match contract size.

SUMMARY of Disparities in PRIME Contracting

	Construction	Professional Services	Services	Goods
African American	PO/DPO/P	PO/DPO/P	PO/DPO/P	PO/DPO/P
Asian American	PO/DPO/P	PO/DPO/P	PO/P	PO/DPO/P
Hispanic American	PO/P	PO/P	PO/P	PO/DPO/P
Native American	PO/DPO/P	PO/DPO/P	PO/P	PO/DPO/P
White Female	PO/P	PO/DPO/P	PO/DPO/P	PO/DPO/P
Disabled	PO/DPO/P	PO/DPO/P	PO/P	PO/DPO/P

PO/DPO/P = purchase orders + direct purchase orders + P-cards

PO/P = purchase orders + P-Card only

DPO/P = direct purchase order + P-Card Only

Summary of Disparities in Sub-Contracting

	Construction	Professional Services	Services	Goods
African American	YES	YES	YES	NO
Asian American	YES	NO	YES	YES
Hispanic American	YES	YES	YES	YES
Native American	YES	YES	YES	YES
White Female	YES	NO	NO	NO
Disabled	YES	YES	YES	YES

YES = Disparity Found NO= No Disparity

Key Points Raised in Disparity Study

Study Purpose: (1) to examine and analyze the procurement policies and practices of the County and its prime contractors regarding Minority, Female, and Disabled owned businesses; (2) determine if there is a statistically significant disparity number of MFD firms in the County marketplace and the number that have received contract awards from the County or its prime contractors; (3) determine if there is a legal predicate to maintain or create remedial programs under “Croson.”

Process: Griffin and Strong analyzed contracting and subcontracting from July 1, 2007 to June 30, 2012 (5 years). The study found a statistically significant disparity between the number of available MFDs in the relevant markets in each work category, measured by dollars awarded by the County, of those same MFD groups. A regression analysis determined that Montgomery County may be an active or passive participant in past or present discrimination in its vendor marketplace. **“Relevant market”** is the area where at least 75% of bidders are located.

The study looked at direct purchases, mini-contracts, small purchases, informal contract, requests for proposals, invitations for bid, and the utilization of prime contractors and MFD subcontractors.

Prime Availability - % of Relevant Market

	Construction	Professional Services	Services	Goods
African American	11.00%	8.25%	12.57%	5.79%
Asian American	3.29%	4.11%	3.49%	2.01%
Hispanic American	6.14%	1.24%	2.58%	1.51%
Native American	0.49%	0.11%	0.08%	0.11%
White Female	5.54%	4.26%	5.46%	4.50%
Non-Minority Male	73.54%	82.03%	75.82%	86.08%

*Disabled firms accounted for less than 1% in each category

Utilization by Dollars – Primes as a % of total dollars awarded total 2008-12

	Construction	Professional Services	Services	Goods
African American	1.52%	1.77%	0.94%	0.54%
Asian American	2.87%	0.35%	5.42%	0.03%
Hispanic American**	12.79%	3.63%	2.82%	0.52%
Native American	0.04%	0.00%	0.43%	0.00%
White Female	4.31%	2.20%	2.60%	2.28%
Non-Minority Male	78.46%	92.04%	87.79%	96.64%

**Report notes that overutilization in construction is due to two firms with high awards

Utilization by total number of firms – Primes - 2008-12

	Construction	Professional Services	Services	Goods
Total # of firms	1,062	1,144	1,291	1,065
% of firms:				
African American	4.14%	2.53%	3.18%	1.78%
Asian American	5.27%	1.22%	1.55%	0.38%
Hispanic American	6.87%	1.49%	2.94%	1.50%
Native American	0.85%	0.00%	0.15%	0.00%
White Female	4.71%	2.27%	3.49%	2.63%
Non-Minority Male	78.15%	92.48%	88.69%	93.71%

*Two disabled firms were used for construction and one for services during the study period

Griffin and Strong Concerns about Statute, Procedures and Other Written Documents (pages 54-56 of Disparity Study):

- The issuance of the Procurement Manual is optional and failure to follow it is not a basis for a challenge by an offeror; however, most agencies said they use it as guidance for making decisions. The procedures for including MFD are unclear to County staff, but there is clearer understanding of the LSBRP.
- The issuance of waivers of MFD subcontracting has historically been a concern in the MFD business community. The MFD annual report has a list of each granted waiver, its contract number, vendor name, and percentage and dollar amount waived. However, there seems to be a disconnect in communicating the process. It could be more prominent in bid materials, on the web, and as a part of pre-bid meetings.
- The methodology utilized for determining availability of MFD companies to establish annual MFD subcontracting goals is questionable. It is unclear whether realistic subcontracting goals are being developed in each purchase category.
- Many of the Using Departments are not taking advantage of the tools for identifying MFD firms that are available to them. Also, Using Departments are not required to use the most recent list of certified MFD vendors furnished by the Director of Procurement.

Selected Comments from Disparity Study Quantitative Analysis

Are MFD Business Owners Less Likely to Compete for Prime Contracts in Montgomery County? The data suggest that in Montgomery County, relative to non-MFD business owners, business owners with a Minority Business Enterprise certification and Disabled Business Enterprise certification are no more or less likely than non-MFD business owners to compete for public contracting opportunities. Businesses with Women Business Enterprise certification are less likely to compete for public contracting opportunities (pages 130-131).

When the analysis is not limited to only businesses with certifications, data suggests that female-owned and Hispanic-owned business are no different from non-MFD business owners in competing for public contracting opportunities. For business owned by Asian Americans and others, relative to non-MFD owned businesses, they are less likely to compete for public contracting opportunities. African American owned businesses are more likely to compete for public contracting opportunities relative to non-MFD owned businesses (page 132).

To the extent that disparities between non-MFD owned and MFD owned businesses securing public contracting can be explained, Griffin and Strong say there is no general evidence that this is because MFD owned business are less likely to submit bids for public contracts. If there are instances where this is indeed the case, policy interventions that encourage submissions and certification could increase bid submissions and decrease project award disparities (page 136-137).

Are MFD Business Owners Less Likely to Secure Public Contracts from Montgomery County? Disparities for businesses owned by African and Asian Americans indicate they have a lower success rate than non-MFD business in securing **prime** contracts. In contrast, female and disabled-owned businesses have a higher success in securing prime contracts relative to businesses owned by non-MFDs (page 139).

According to Griffin and Strong's estimates, the effects of being a MFD business owner and the probability of successfully securing **prime or sub** contracts from Montgomery County are, in many instances, conditioned on race, ethnicity, gender, and disability status of business owners in the market area relevant for opportunities in Montgomery County (page 142).

Conclusion – Griffin and Strong finds that a business owner's race, ethnicity, gender, and disability status has a statistically significant and adverse effect on becoming newly self-employed as a business owner and on securing public contracting and subcontracting opportunities relative to non-MFD business owners (page 148).

Selected Comments from Disparity Study Private Sector Analysis

The purpose of the Private Sector Analysis is to determine whether private sectors providing business financing in the State of Maryland are engaging in discriminatory practices in a way that is biased against minority owned businesses. Such a barrier to equal opportunity access to financing could constrain the ability of minority owned businesses to compete on equal terms with other businesses in the market for goods and services (page 151).

Evidence of bias in the market for financing against minority owned businesses in the State of Maryland would lend support to the “but-for justification” for targeted set-asides (page 151).

Relative to non-minority owned firms, minority owned firms are more likely to need start-up financing provided by the private sector in Maryland (page 154).

- In general, minority owned firms are less likely, relative to non-minority owned firms, to have:
 - Bank loans as a source of start-up financing (page 157).
 - Government guaranteed bank loans as a source of start-up financing (page 159).
 - Home equity loans as a source of start-up financing, however this is driven by Disabled-Veteran owned and Native American owned firms (page 161).
 - Venture capital as a source of start-up financing. However, this is driven by the reduced likelihood of female owned businesses having this financing. African American owned business are more likely to have venture capital as a source of start-up financing relative to non-minority businesses.
 - Finance the expansion of their business with a bank loan. This is similar for all minority groups with the exception of Hispanic owned businesses where the difference is insignificant (page 166).
- In general, Asian American owned business, Disabled Veteran owned businesses and African American owned businesses are less likely, relative to non-minority owned firms, to finance the expansion of their business with a government guaranteed loan (page 168).
- In general, minority owned firms are have a reduced likelihood, relative to non-minority owned firms, to finance the expansion of their business with home equity loan; however, this is driven by the lower likelihood of female owned and disabled veteran owned businesses (page 170).
- In general, minority owned firms are less likely, relative to non-minority owned firms, to finance the expansion of their business with venture capital. This is similar for all minority groups with the exception of Native American owned businesses where the difference is insignificant (page 172).

MFD Recommendations from User Departments (based on interviews in the Disparity Study, pages 62-63):

1. Establish MFD subcontracting goals.
2. Increase the budget of the Office of Business Relations and Compliance to conduct outreach functions and more interaction with the business community.
3. Implement a prompt payment clause for MFD subcontractors.
4. Create a restitution fund for instances when a prime contractor does not pay the MFD firm.
5. A member from the Office of Business Relations and Compliance should participate in the Qualification and Selection Committee (QSC).
6. MFD prime contractors with a contract award of \$2.5 million or more shall be subject to MFD subcontracting requirements.
7. Implement additional outreach efforts focused on the MFD certification process. Several Using Departments state that the pool of MFD companies need to be expanded and this an avenue that may help achieve this goal.
8. Targeted agency procurement days focused on the commodities and services for that particular agency.
9. Strongly encourage that MFD goals be exceeded.
10. More clarity on how Montgomery County qualifies MFD participation.
11. Work closer in collaboration with the Maryland Department of Business and Economic Development to grow businesses.
12. Advertise contracting opportunities in the MFD and larger business communities.
13. Develop mentor -rotégé program for matching MFD firms with non-MFD firms.
14. Create a one-stop shop for businesses to get assistance with paperwork for the procurement process, including the Wage and Requirement paperwork and the MFD/Disabled business forms.
15. Streamline the Montgomery County procurement process.
16. Outreach and inform minority and women owned businesses that aren't certified, to get certified by the approved certifying agency.
17. Provide more support in identifying capable MFD firms.
18. Separate contracts for smaller firms, small business set-aside.

II. MINORITY, FEMALE, AND DISABLED-OWNED BUSINESS PROGRAM

BACKGROUND

The current MFD Program was established in 1982 and is authorized by Montgomery County Code, Chapter 11B, Contracts and Procurement, Article XIV-Purchases from Minority Owned Businesses. Implementation guidance is set forth in Chapter 11B, Section 7 of the Montgomery County Procurement Regulations. The Office of Business Relations and Compliance (OBRC) administers the MFD program.

According to the Code, MFD procurement goals are set according to availability by industry category and minority business ownership. The County's availability goals in each of the purchasing categories for minority groups may change each fiscal year.

PROGRAM DETAILS

The Office of Business Relations and Compliance has outlined the following goals for the MFD program:

- Encourage economic development for minority persons.
- Increase business opportunities for minority persons.
- Notify minority owned businesses of procurement opportunities.
- Provide information to minority business owners about the procurement system.
- Provide referrals for technical assistance, sureties, and financing information.
- Review procurement procedures to remove artificial barriers to competition.

MFD business requirements

1. Be at least 51% owned, controlled and managed daily by a minority person(s) as defined by state, county, and federal laws to include the following categories: African American, Hispanic American, Asian American, Native American, Disabled Persons, and Women.
2. Be a certified MFD business to participate in the County's MFD program as a prime or subcontractor. OBRC does not certify businesses, but they do accept certification from the following six agencies:
 - Maryland Department of Transportation
 - Virginia Department of Small, Women and Minority Owned Business Program
 - Federal Small Business Administration
 - Women's Business Enterprise National Council
 - Maryland/District of Columbia Minority Supplier Development Council (Capital Region)
 - City of Baltimore
3. Register in the Montgomery County Central Vendor Registration System (CVRS) and upload a certification document into the CVRS database.

Unless an MFD waiver is approved, all negotiated contracts valued at \$50,000 or more, including renewals, are MFD designated. This means that the non-minority prime contractor is obligated to satisfy a predetermined percentage of the contract dollar value for

subcontractor participation. Using Departments are also encouraged to seek MFD firms for contracts and purchases under \$50,000.

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; and
- A written waiver justification request that precludes minority participation if the prime seeks a waiver.

Goal Setting

By September 1 of each year, the Procurement Director must determine for the previous fiscal year (July 1 – June 30) the following:

- 1) The availability of each group of MFD businesses.
- 2) Using the Disparity Study, determine the availability of MFD businesses in the relevant geographic market available to perform work under County contracts.
- 3) State the availability by source selection method for each group of MFD businesses as a percentage of all businesses available to perform work under County contracts awarded through formal solicitation in the purchasing categories of Construction; Goods; Professional Services; and Other services.
- 4) Using a methodology similar to the Disparity Study, the Director must determine by source selection method the disparity between the dollar value of contracts and subcontracts awarded to each group of MFD owned businesses in each purchasing category.

These findings must be reported to the Chief Administrative Officer (CAO) by September 1. By September 30 of each year the CAO will use the data provided by the Procurement Director to set goals for the current fiscal year of the dollar value of purchases for each socially or economically disadvantaged group. The goals must correspond to the availability of that group by source selection method and purchasing category (goods, construction, professional services, and other services) in the relevant geographic market area as determined by the most recent Disparity Study. The CAO must not set goals for a socially or economically disadvantaged group unless the CAO determines that the value of purchases made during the previous fiscal year from that group in each category of purchases under a particular source selection method, compared with the availability of that group to perform work in that category, shows a significant under-utilization of the group.

Utilization data and FY2016 goals will be available by September 30. Below are current goals set for each purchasing category for the total value and life of the contract award:

- Construction 27%
- Professional Services 19%
- Non-professional Services 25%
- Goods 15%

FINAL REPORT OF THE MINORITY OWNED AND LOCAL SMALL BUSINESS TASK FORCE

As posted in the FY14 MFD Annual Report, a complete breakdown by category is in the following table:

FY14 MFD Utilization and Availability

	Prime Contractor	Sub-Contractor	Total Contractor	FY14 Utilization	FY14 Availability*	FY15 Goal			
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%	
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%	
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%	
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%	

* 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.

Subcontractor Performance Plan

Each contractor must submit a Subcontractor Performance Plan prior to undertaking performance under the contract, or at such earlier time as required by the Director. The MFD Subcontractor Performance Plan must be approved by the Director. This plan approval does not establish a contractual relationship between the contractor and the County. The plan must:

- 1) identify each subcontractor;
- 2) identify the amount the contractor has agreed to pay each MFD subcontractor;
- 3) provide a copy of the language used in each MFD subcontract which requires the use of binding arbitration with a neutral arbitrator to resolve disputes between the contractor and MFD subcontractor, including description of dispute resolution costs without attempting to penalize an MFD subcontractor for filing an arbitration claim; and
- 4) be made a part of the contract between the contractor and County.

Additional Requirements

- In a multi-term contract, the Contractor must submit a MFD Subcontract Performance Plan to be in effect for the life of the contract, including any renewal or modification.
- Contractor must notify and obtain prior written approval from the Director regarding any change in the MFD Subcontractor Performance Plan.
- Before receiving final payment under this contract, the Contractor must submit documentation showing compliance with the MFD Subcontracting Performance Plan. Documentation may include, at the direction of the Director, invoices, copies of subcontracts with minority owned businesses, cancelled checks, affidavits executed by minority owned business subcontractors, waivers, and arbitration decisions.
- The Director may require the Contractor to submit periodic reports on a form approved by the Director. The Director may conduct an on-site inspection for the purpose of determining compliance with the MFD Subcontractor Performance Plan. If this is a multi-term contract, final payment means the final payment due for performance rendered for each term of the contract. If the Contractor fails to submit documentation demonstrating compliance with the MFD Subcontractor Performance Plan, to the satisfaction of the Director, after considering relevant waivers and arbitration decisions, the Contractor is in breach of this contract.
- In the event of a breach of contract, the Contractor must pay to the County liquidated damages equal to the difference between all amounts the Contractor has agreed under its Plan to pay minority owned business subcontractors and all amounts actually paid minority owned business subcontractors with appropriate credit given for any relevant waiver or arbitration decision. In addition, the County may terminate the contract. As the result of a breach under this addendum, The Director of the Office of Procurement must find the Contractor non-responsible for purposes of future procurement with the County for the ensuing *three* years.

RECENT LEGISLATIVE IMPACTS

Recent legislative impacts include Bill 42-14, which extended the MFD program for one, instead of five years-with a sunset date of December 31, 2015. This was to allow time for review of the MFD program by the Task Force.

Additionally, the Council passed Bill 48-14-Purchases from Minority Owned Businesses - Procedures - Request for Proposals on April 14, 2015. This Bill went into effect on July 22, 2015. Bill 48-14 permits an evaluation factor in a request for proposals to increase the participation of minority owned firms in certain procurement contracts. The Procurement Director will be authorized to establish an evaluation factor of no more than 10% in a request for proposals that would award additional points for a proposal from:

- (1) a contractor for whom a goal has been set under the MFD program; and
- (2) a contractor for whom a goal has not been set who proposes to exceed the minority owned business procurement subcontracting goal established for the contract.

III. LOCAL SMALL BUSINESS RESERVE PROGRAM

BACKGROUND

The current Montgomery County LSBRP was authorized by the County Council in 2006 and codified in the Montgomery County Code, Chapter 11B, Contracts and Procurement, Article XV-Local Small Business Reserve Program. Executive Regulation 11B-65 establishes definitions, processes, and procedures to administer and implement the LSBRP. The Division of Business Relations and Compliance (DBRC) administers the LSBRP program.

The LSBRP program creates a set-aside for local small businesses where Using Departments commit to allocate 20% of their purchases of goods and services for the small business community. Businesses may participate in the program if they are independently owned, have an economic operational base in Montgomery County, and meet sales or employee thresholds.

PROGRAM DETAILS

The LSBRP applies to contracts under \$10,000,000. LSBRP firms must be located in Montgomery County and fall within one or more of the five business type categories and employee or sales limits indicated in the below table.

Business Type	Employee Limit		Prior Three Year's Avg. Sales
Retail	30	Or	\$5 million
Wholesale	30		\$5 million
*Service	50		\$5 million
Construction	50		\$14 million
Manufacturing	40		\$14 million

*Executive Regulation 6-15 increases size criteria for service vendors from 50 to 100 employees and average gross sales from \$5 million to \$10 million.

Businesses must also register in the Montgomery County CVRS and completed the LSBRP online application, which includes 10 questions. A business must affirm and provide supporting documentation to the Procurement Director to show that it is a local small business. The Director may investigate and verify the information provided on the application. Program registration is eligible for renewal upon the end of a three-year term.

A solicitation must be designated for the LSBRP program. The following seven exemptions currently exist:

1. Conflict with State, federal, or local law or a grant requirement
2. Pre-Existing contracts
3. Non-competitively awarded contract
4. Public Entity or Emergency procurements
5. Chief Administrative Officer Waivers granted
6. Single procurements in excess of \$10 million
7. No LSBRP vendor deemed qualified

The procurement officer awards an LSBRP contract to the responsible local small business that submits an offer that:

1. Is the lowest bid price;
2. If the invitation for bids so provides, is the lowest evaluated bid price; or
3. If the bid or proposal most favorable to the County within the local small business reserve.

A local small business is no longer eligible for an LSBRP procurement if the business has been awarded \$10 million in County contracts and at least 10 separate contracts, as either a prime contractor or a subcontractor, since January 1, 2006. In the most recent FY14 LSBRP Annual Report, which is due to the Council by November 30 of each year, OBRC announced the graduation of their first LSBRP program participant.

OUTREACH

The Procurement Regulations stipulate the following outreach requirements:

1. Advertising the Program in the media, as deemed necessary by the Director, to increase the public awareness of the Program.
2. Preparing a Program brochure and other necessary collateral material, and distributing these materials in strategic locations, as determined by the Director, to enable easy and timely access by businesses in the County.
3. Participating in County business events, at least three times a year, to market the Program.
4. Working with small business resource groups in the County such as the Chambers of Commerce, Small Business Development Centers, Women's Business Organization, etc., to disseminate Program information to the member businesses.
5. Preparing a press release once a year to publicize the Program results.

USING DEPARTMENT RESPONSIBILITIES

In addition to awarding 20% of the Using Department's combined dollar value for contracts to Local Small Businesses, there are a number of other participation and reporting requirements that Using Departments must fulfil. The Departments notify the Office of Procurement upon designating a procurement as a Local Small Business Reserve. Using Departments are also directed to search the LSBRP database before conducting a solicitation process and before recommending a vendor for award in a contract that has been designated for this Program. Additionally, Departments are required to post on a County web site each planned purchase of goods, services, or construction valued at \$5,000 to \$25,000, regardless of whether the solicitation is designated as a Local Small Business Reserve or not, for 5 business days, before the County enters into a contract. Departments must track and report local small business procurement activities to the Procurement Director by September 30 of each year.

RECENT LEGISLATIVE AND REGULATORY IMPACTS

Bill 23-15 amends the LSBRP program by adding language exempting emergency, bridge contract and cooperative procurements from the program. It also specifies that a business has its principal place of business in the County and pushes the annual reporting date back one month to October 30. Concurrently, Executive Regulation (ER) 6-15 – LSBRP Amendments would increase the LSBRP vendor pool and clarify language to minimize confusion. ER 6-15 increases size criteria for service vendors from 50 to 100 employees and average gross sales from \$5 million to \$10 million. This update would align with recent changes to State law. To reduce confusion, ER 6-15 would also replace the “self-certify” with “LSBRP application”. Around 490 vendors would be eligible to participate in the LSBRP program under this amendment. There are currently 1004 vendors registered in the LSBRP program.

IV. ATLANTA EQUAL BUSINESS OPPORTUNITY PROGRAM

Source: Atlanta, GA Code of Ordinances - §12-Equal Business Opportunity Ord.

Separate from the Department of Procurement, the Mayor's Office of Contract Compliance (OCC) has authority and duties for the encouragement of non-discrimination in City contracting and implementation of the Equal Business Opportunity (EBO) program, which was approved by the Atlanta City Council in 1991.

PROGRAM REQUIREMENTS

- 1) **Subcontracting Program submitted with Bid.** All bidders are required to make efforts to ensure that businesses are not discriminated against on the basis of their race, ethnicity or gender. They must demonstrate compliance with the program requirements at or prior to the time of bid opening or upon request by OCC.
- 2) **Written Policy Statement-Non-Discrimination.** Bidders shall prohibit discrimination against any person or business on the basis of race, color, creed, religion, sex, domestic relationship status, political affiliation, gender identity, or racial profiling. Bidders develop a written policy statement for approval by OCC. Bidders would also include a clause in its subcontracts that require the subcontractor to adopt and distribute a written non-discrimination policy that is the same as that of the prime contractor. Allegations of discrimination determined to have merit may be subject to penalties decided by OCC in consultation with the initiating department.
- 3) **Award Eligible after OCC screening and approval.** A bidder is eligible for award of a City contract upon a finding by OCC that the bidder has engaged in, and provided with its bid submission documents of efforts to ensure that its process of soliciting, evaluating and awarding subcontracts, placing orders, and partnering with other companies has been non-discriminatory.

EBO exceptions include sole procurements, special procurements, and emergency procurements.

BID SUBMISSION REQUIREMENTS

Each bidder must submit with each bid the following:

- 1) **Covenant of non-discrimination.**
- 2) **Written documentation demonstrating the bidder's outreach efforts** to identify, contact with or utilize businesses, including a certified Minority and Female Business Enterprise (MFBE) and Small Business Enterprise (SBE), as subcontractors or suppliers on the contract. OCC will set forth in the solicitation document the documents that a bidder may submit to demonstrate its outreach efforts.
- 3) **Completed and signed subcontractor project plan**, in a form approved and provided by OCC, including name, address, telephone number and contact person of each subcontractor or other business to be used in the contract. The NAICS code and type of work or service each business will perform, dollar value of work and scope of work, and ownership of each business by race and gender, if applicable, and the African American, Asian Pacific American, Hispanic American, Female Owned or SBE certification number of each business must also be included. A subcontractor project plan cannot be altered or changed after approval of the plan and award of contract

without the written approval of the OCC director. A written letter must be submitted to OCC prior to any change.

OCC shall determine whether a bidder has satisfied the requirements based on review of the Covenant of Non-Discrimination, outreach efforts documentation and subcontractor project plan and its review of other relevant facts and circumstances. This includes complaints received as part of the bid process (receipt of complaint of discrimination in bid process, determination of violation of EBO process, OCC determination of non-compliance, and/or OCC determination of non-responsiveness).

OCC will conduct additional reviews of procurements that involve eligible projects for minority businesses. OCC will consider the total project dollars subcontracted to, or expended, for goods and services performed by other businesses and commercially useful functions in the work of the contract, based upon standard industry trade practices within relevant NAICs code. The city will maintain a database identifying minority businesses that will include a list of services provided and contact information.

To ensure that the equal business opportunity subcontracting program achieves its purpose, the OCC will verify the certification status of each firm claiming such designation. The percentage of certified minority business utilized by a bidder will be calculated by dividing the businesses prices for providing direct labor or bona fide service by the bidders total dollars as identified in the bid. The city reserves the right to conduct an audit of a bidder's work on eligible projects for minority business to confirm the bidder's compliance with the EBO subcontracting program. OCC shall require contractors on eligible projects for minority businesses to complete and submit to OCC documentation regarding their utilization along with other pertinent records required by OCC. These records will be submitted to OCC monthly.

OTHER PROGRAMS

Mentor-protégé relationships will be determined by OCC on a project-by-project basis on eligible projects where good faith efforts to enter in a mentor-protégé relationship shall be required for such contract. No bid shall be accepted unless submitted by a mentor-protégé team. Team members must have different race, gender or both ownership. A written mentor-protégé agreement must be completed by both parties to the relationship and executed before a notary public delineating the rights and responsibilities of the mentor-protégé. OCC requires that the mentor-protégé relationship continue, at minimum, for the duration of the project. Agreements will be reviewed by OCC and must be submitted 14 days prior to the date set for receipt of bids on an eligible project. Quarterly summary of mentor skills provided to the protégé are due to OCC (time spent between businesses in furtherance of relationship; nature and extent of managerial, technical, financial and bonding assistance provided; summary and explanation of private sector and government projects undertaken together).

Joint Ventures are determined on a project-by-project basis. Only projects over \$5 million are eligible for consideration. Bids will only be accepted if OCC determines good faith efforts exist between businesses to enter into a joint venture. Businesses must have different race, gender or both ownership. A joint venture agreement must be completed and notarized to

provide that the joint venture will exist for the duration of the project. Contract terms of the venture must be reviewed and approved by OCC. The requirements are as follows:

1. The initial capital investment of each venture partner;
2. The proportional allocation of profits and losses to each venture partner; no MFBE venture partner's liability should ever exceed said partners percentage of revenue earned while a participant in the joint venture.
3. The sharing of the right to control the ownership and management of the joint venture;
4. Actual participation of the venture partners on the project;
5. The method of and responsibility for accounting;
6. The method by which disputes are resolved; and
7. Any additional or further information required by OCC as set forth in bid documents or otherwise.

PENALTIES

A contractor who fails to comply with any portion of this division, and whose failure to comply continues for a period of 30 calendar days after the contractor receives written notice of such noncompliance from the Director of OCC, shall be subject to any or all of the following penalties:

1. Withholding of ten percent of all future payments for the eligible project until OCC determines that the contractor is in compliance with this subdivision.
2. Withholding of all future payments under the eligible project until it is determined that the contractor is in compliance with this subdivision.
3. Cancellation of the eligible project.
4. Refusal of all future contracts or subcontracts with the City for a minimum of one year and a maximum of five years from the date upon which the penalty is imposed.

CERTIFICATION

Certification is done by Atlanta OCC. Applicants submit a written certification application on a form approved and provided by OCC. Minority businesses must be a for-profit entity that is independent and continuing and must be located in the Atlanta region. Business must reapply for minority certification every two years. Minority businesses graduate from minority certification after 10 consecutive years of certification, unless the business qualifies as a small business.

If the certification application is denied, the business must wait one year before they can reapply for certification. Reasons for denial of an application include: applications that do not meet certification requirements; application was not completed in a reasonable amount of time; application contains false information; the applicant does not promptly provide required information to OCC in connection with their review of the application. Businesses can formally appeal an OCC certification decision.

OUTREACH AND ASSISTANCE TO SUBCONTRACTORS BY OCC

To ensure that opportunities to participate on City contracts are available to the widest feasible universe of interested, available and qualified businesses, OCC shall develop and implement a written comprehensive outreach program aimed at increasing business

participation in the City's contracting and procurement process. This program may include, without limitation, any or all of the following:

1. OCC may disseminate information describing EBO program at community events, trade shows, and other appropriate business functions.
2. OCC may establish a procedure to engage in continuous recruitment and outreach directed at business assistance organizations.
3. OCC may disseminate information regarding ongoing contracting opportunities and provide contact information for businesses to obtain additional information.
4. OCC may assist businesses in submitting bids for contracts by disseminating information, providing individualized counsel, and conducting seminars regarding the process for submitting a bid.
5. OCC may actively encourage businesses to attend a pre-bid conference and implement training and awareness programs with Using Departments to educate them with regard to increasing utilization of businesses.
6. OCC may provide advice to the Department of Procurement regarding the effectiveness of current bidding procedures to reach the widest feasible universe of interested bidders. This may include suggestions on arranging solicitations, delivery schedules, specifications, and encouraging business community feedback on the procurement process.
7. OCC may create workshops for businesses located within the City on how to compete in the private sector, including advice on marketing, soliciting, and preparing a bid. OCC may also establish a program to encourage and establish mentoring, training, matchmaking, workshops and consulting.
8. OCC may develop communications and other materials meant to encourage and provide information to contractors to increase their utilization of subcontractors, like sponsoring networking events.
9. OCC may develop a resource directory to be provided to interested businesses with information on bonding and financing, financial management, accounting, construction management and technical assistance.
10. OCC may establish policies to prohibit discrimination in the provision of credit or bonding regarding City contracts.
11. OCC may work with existing service providers in the region.
12. OCC may create and maintain records on all subcontractor participation on City projects. OCC may perform investigations regarding the actual utilization of subcontractors during the term of the contract compared with the anticipated use of at the time of the bid submission.
13. Remaining outreach assistance items include maintenance of website, creating and monitoring a mechanism for businesses to file an administrative complaint if the City or prime contractor are discriminating in the award of a contract. Additionally, OCC can develop additional activities not identified above to further outreach activities or review the overall program for effectiveness.

V. District of Columbia Certified Business Enterprise Program

**Department of Small and Local Business Development (DSLBP)
Certified Business Enterprise (CBE) Program**

Source: Online presentation and FAQs from DC Department of Small and Local Business Programs

The Business Certification Division evaluates businesses headquartered in the District of Columbia (DC) to determine if they are eligible to become a Certified Business Enterprise (CBE).

The DC Government directs spending to CBEs with a goal of contributing to job creation and strengthening the local economy.

Only for-profit businesses are eligible for CBE certification. A business must be headquartered in DC. The business may be incorporated in another state but its office must be in DC.

The process can take up to 45 business days once an application is submitted. Businesses are certified for three years. A mandatory webinar is required for first-time certification as a CBE or if certification has lapsed for more than one year.

If an application for a CBE is not approved, notice of the decision is sent by the Director of DSLBP detailing the reasons and the process for appeal. If not approved, an applicant must wait six months before re-applying.

DC agencies must meet, on an annual basis, the goal of procuring and contracting 50% of the dollar volume of its goods and services, including construction goods and services, to Small Business Enterprises (SBEs).

Preferences for Categories of Certification

	Proposal Points	Bid % Price Reduction
Local Business Enterprise (LBE)	2	2
Small Business Enterprise (SBE)	3	3
Disadvantaged Business Enterprise (DBE)	2	2
Development Zone Enterprise (DZE)	2	2
Resident Owned Business	5	5
Longtime Resident Business (LRB)	5	10
Veteran Owned Business (VOB)	2	2
Local Manufacturing Business Enterprise (LME)	2	2

FINAL REPORT OF THE MINORITY OWNED AND LOCAL SMALL BUSINESS TASK FORCE

Program	Definition
Local Business Enterprise (LBE)	<ol style="list-style-type: none"> 1. Principal office physically located in DC. 2. CEO and high level managers maintain their offices and perform functions in DC. 3. Meets one of the following: <ul style="list-style-type: none"> • More than 50% of assets, excluding bank accounts, are located in DC; • More than 50% of employees are DC residents; • The owners of more than 50% of the enterprise are DC residents; • More than 50% of sales or revenue are derived from transactions in the District. 4. Is properly licensed under DC law. 5. Is subject to tax under DC law.
Small Business Enterprise (SBE)	<ol style="list-style-type: none"> 1. Is a LBE. 2. Is independently owned, operated, and controlled. 3. Meets U.S. Small Business Administration definition of a small business concern; or has annualized gross receipts for prior 3 years not exceeding certain amounts such as \$23M for heavy construction, \$21M for building construction; \$20M for Goods & Equipment; \$5M for Personal Services; \$10M for Professional Business Services (there are 12 categories).
Disadvantaged Business Enterprise (DBE)	<ol style="list-style-type: none"> 1. Is a LBE. 2. Is more than 50% owned, operated, and controlled by socially and economically disadvantaged individuals: <ul style="list-style-type: none"> • The individual has been subjected to prejudice or bias because of his or her identity as a member of a group without regard to qualities as an individual; • The individual had his or her ability to compete in the free market because of diminished opportunities to obtain capital or credit compared to others in the same line of business. 3. The personal net worth of the applicant must be less than \$1M excluding value of personal residence and value of ownership in the CBE.
Development Zone Enterprise (DZE)	<ol style="list-style-type: none"> 1. Is a LBE. 2. Principal offices are located in designated enterprise zones in DC.
Longtime Resident Business (LRB)	<ol style="list-style-type: none"> 1. Is a LBE. 2. Has been continuously eligible for certification as a LBE for 20 consecutive year, or, 3. Is a SBE that has been continuously eligible for certification as a LBE for 15 consecutive years.
Veteran Owned Business (VOB)	<ol style="list-style-type: none"> 1. Is a LBE. 2. Meets definition of a SBE. 3. Is not less than 51% owned and operated by one or more veterans (Person who has served in the active military and who was discharged or released under conditions other than dishonorable. 4. In the case of a publicly owned business, not less than 51% of the stock is owned by one or more veterans. 5. One or more veterans control the management and daily operations.
Local Manufacturing Business (LMB)	<ol style="list-style-type: none"> 1. Is a LBE. 2. Makes a product through a process involving raw materials, components, or assemblies, usually on a large scale, with different operations performed by different workers. 3. Annual revenue of \$2M or more in the manufactured product. 4. Principal office of manufacturing in DC.

VI. State of Maryland Minority Business Enterprise Program

Sources: <http://goma.maryland.gov/Pages/mbe-Program.aspx>
Governor's Office of Minority Affairs Annual Report FY 2014

In 1978, Maryland's General Assembly enacted legislation creating the Minority Business Enterprise (MBE) Program to ensure that socially- and economically-disadvantaged small business owners are included in the State's procurement and contracting opportunities (Section 14-301, et seq. of the State Finance and Procurement Article (2009 Repl. Vol., 2012 Supplement)). Regulations direct 70 participating State agencies to make every effort to award an overall minimum goal of 29% of the total dollar value of their procurement contracts directly (prime contractors) or indirectly (subcontractors) to certified MBE firms during fiscal years 2014 and 2015. Goals are set every two years.

Program administration, oversight, and compliance of the MBE Program lies with the Governor's Office of Minority Affairs (GOMA). GOMA serves in an advisory capacity to the Governor on key MBE issues and works directly with State agencies regarding compliance and reporting. GOMA is also the primary advocate for certified MBEs and the small, minority- and women-owned business community at large. Additionally, GOMA connects small, minority- and women-owned businesses to State contracting and procurement opportunities through the MBE and Small Business Reserve (SBR) programs while working with State agencies to implement and monitor these programs in accordance with applicable policies, laws and regulations.

Small, minority- and women-owned firms that meet the eligibility standards of the MBE Program are encouraged to seek certification. Eligibility is determined by minority status, ownership, control, size and personal net worth of the minority owner(s).

The certification process is structured to ensure that only those businesses meeting all the requirements set forth under State law may participate in the program. The Office of Minority Business Enterprise (OMBE), a division of the Maryland Department of Transportation (MDOT), serves as Maryland's official certification agency. Upon receiving certification, firms are automatically listed in the online directory. OMBE will reassess certified firms annually and they may remain in the MBE Program as long as they continue to meet the eligibility standards. After initial certification, MBEs are encouraged to seek an Expansion of Services anytime they add new products or services. To assist firms interested in seeking MBE certification, MDOT hosts a free Application Assistance Workshop on the first Tuesday of every month. While certification is not required to do business with the State, only the work of certified MBEs can be counted toward meeting MBE contract goals.

Participating agencies and departments examine their procurements and set specific minority participation goals on a contract-by-contract basis. Procedures are followed to ensure that an award of a contract is not made until a prime contractor has met the established MBE goal(s) by subcontracting with a certified small, minority- or women-owned firm(s), or has demonstrated a good-faith effort to meet those goal(s).

After a contract has been awarded, MBE participation is closely monitored. Monitoring includes a review of the subcontract financial transactions and visits to the job-site to verify actual work being performed by the MBE firm. Each agency has an MBE Liaison whose role includes serving as an advocate for MBEs actively working on contracts within that agency. Maryland's MBE Program is well-recognized as a national model for minority inclusion in State procurement and contracting.

GOMA receives and verifies data from agencies on a regular basis and uses that data to produce a number of annual reports documenting the utilization and activities of the MBE and SBR programs as well as other efforts targeted toward the inclusion of disadvantaged businesses in State procurement and contracting opportunities. These reports are provided to legislators and made available to the community at large on the GOMA website.

As of June 31, 2014 there were 5,671 firms certified as MBE. During FY2014, 635 new firms were granted MBE certification.

Recent Policy Changes

Effective June 2014 a new regulation was implemented that allows MBE prime contractors to count up to 50% of the work they self-perform as a part of the contract goal and up to 100% of any one contract sub-goal. Previously, MBE prime contractors were prohibited from self-performing any portion of the MBE contract goal. This was in response to requests from the stakeholder community and is expected to give minority owned firms the flexibility needed to increase capacity and create jobs.

GOMA's forecasting report, located on the GOMA website, now forecasts all State and Federal procurements expected to exceed \$100,000 instead of just recurring contracts. This database allows firms to search for expected procurements. The change is expected to give small and minority owned businesses time to better prepare for contracting opportunities, and to assist GOMA with evaluating historical MBE achievement by agency.

Contract Awards and Payments

In FY 2014, Maryland awarded \$2.1 billion in prime and subcontracting awards to small minority- and women-owned businesses in FY2014. This represents 27.3% overall MBE participation, which is the highest percentage in the history of the MBE Program. The MBE awards are divided into 11 different business sectors, also referred to as procurement categories. The following table shows the total procurement awards by category as well as showing the amount for prime contractors and subcontractors.

FINAL REPORT OF THE MINORITY OWNED AND LOCAL SMALL BUSINESS TASK FORCE

Procurement Category	Total All Procurement/Contract Awards	Total MBE Prime Awards	Total MBE Subcontract Awards	Total MBE Awards (Prime & Sub)	MBE Participation
Architectural	\$587,168,519	\$3,120,578	\$126,984,095	\$130,104,673	22.16%
Engineering	\$381,823,515	\$8,004,954	\$81,891,236	\$89,896,190	23.54%
Construction	\$2,447,174,016	\$110,188,462	\$478,004,385	\$588,192,847	24.04%
Construction Related Services	\$33,132,192	\$1,060,834	\$1,319,484	\$2,380,318	7.18%
Maintenance	\$522,026,822	\$46,321,178	\$41,874,814	\$88,195,992	16.89%
Services	\$1,411,507,449	\$219,054,025	\$126,326,033	\$345,380,058	24.47%
Supplies & Equipment	\$355,273,168	\$22,211,111	\$9,494,394	\$31,705,505	8.92%
IT Services	\$462,002,013	\$98,794,679	\$41,820,909	\$140,615,588	30.44%
IT Supplies & Equipment	\$179,877,646	\$66,625,165	\$856,566	\$67,481,731	37.52%
Human, Cultural, Social & Educational Services	\$1,110,750,264	\$624,229,271	\$5,215,156	\$629,444,427	56.67%
Corporate Credit Card	\$202,205,099	\$11,886,126	\$0	\$11,886,126	5.88%
Direct Voucher	\$156,450,245	\$20,991,925	\$0	\$20,991,925	13.42%
TOTALS	\$7,849,390,948	\$1,232,488,308	\$913,787,072	\$2,146,275,380	27.34%

The following tables show the awards for prime and sub-contractors by MBE Category for FY 2014 and the history of awards from FY2007 through FY2014. The tables show that the percentage of dollars awarded to MBE contractors and sub-contracts grew from 20% in FY2007 to 27.3% in FY 2014.

Exhibit 5: FY2014 MBE Procurement/Contract Awards by Classification

MBE Classification	MBE Prime Awards	MBE Subcontract Awards	Total MBE Awards (Prime and Sub)	Total MBE Participation
African American	\$147,941,235	\$251,539,918	\$399,481,153	18.6%
Asian American	\$113,518,820	\$217,317,166	\$330,835,986	15.4%
Hispanic American	\$55,903,480	\$81,839,147	\$137,742,627	6.4%
Native American	\$346,905	\$13,528,584	\$13,875,489	0.6%
Women	\$207,235,755	\$301,235,396	\$508,471,151	23.7%
African American Women	\$12,344,877	\$18,808,665	\$31,153,542	1.5%
Asian American Woman	\$25,460,992	\$19,949,854	\$45,410,846	2.1%
Hispanic American Woman	\$4,540,070	\$5,660,146	\$10,200,216	0.5%
Native American Women	\$41,352	\$618,645	\$659,997	0.0%
Disabled	\$124,342	\$893,674	\$1,018,016	0.0%
Non-Profit Organizations	\$177,336,587	\$1,706,697	\$179,043,284	8.3%
Community Service Provider	\$487,693,514	\$689,180	\$488,382,694	22.8%
Disadvantaged	\$379	\$0	\$379	0.0%
Total MBE Procurement	\$1,232,488,308	\$913,787,072	\$2,146,275,380	100.00%

**Exhibit 7: MBE Awards (Prime & Subcontract) by Classification
for Fiscal Years 2007 – 2014**

MBE Classification	FY2007 MBE Awards	FY2008 MBE Awards	FY2009 MBE Awards	FY2010 MBE Awards	FY2011 MBE Awards	FY2012 MBE Awards	FY2013 MBE Awards	FY2014 MBE Awards
African American	\$206,206,524	\$266,333,768	\$371,145,118	\$270,229,367	\$284,238,784	\$327,513,831	\$237,221,656	\$399,481,153
African American Women	--	--	--	\$20,853,968	\$50,816,195	\$56,532,541	\$66,576,198	\$31,153,542
Asian American	\$132,742,960	\$116,253,861	\$210,432,615	\$158,944,589	\$212,593,430	\$137,106,827	\$134,183,647	\$330,835,986
Asian American Women	--	--	--	\$5,424,099	\$21,004,727	\$18,240,526	\$21,452,550	\$45,410,846
Hispanic American	\$62,657,536	\$96,115,893	\$139,880,199	\$137,166,086	\$139,030,941	\$137,430,149	\$140,978,056	\$137,742,627
Hispanic American Women	--	--	--	\$1,809,836	\$3,800,927	\$5,432,838	\$5,252,363	\$10,200,216
Native American	\$19,055,663	\$39,906,457	\$5,556,966	\$6,111,691	\$11,972,101	\$12,673,494	\$8,801,200	\$13,875,489
Native American Women	--	--	--	\$958,151	\$8,103,477	\$3,020,197	\$4,751,497	\$659,997
Women only	\$322,921,247	\$396,673,808	\$439,676,065	\$320,469,157	\$429,875,319	\$550,803,444	\$358,128,414	\$508,471,151
Disabled	\$6,432,211	\$1,491,710	\$35,975,201	\$1,585,061	\$1,574,197	\$604,470	\$65,009	\$1,018,016
Non-Profit Organizations (Certified)	\$192,007,334	\$268,549,985	\$237,308,842	\$292,644,486	\$291,069,381	\$290,762,948	\$264,874,599	\$664,887,766
Community Service Provider (formerly Sheltered Workshop)	\$190,238,758	\$123,480,078	\$212,212,983	\$172,229,495	\$187,203,224	\$398,852,691	\$431,855,638	\$2,538,212
Disadvantaged	--	--	--	\$49,894	\$2,756,735	\$5,932	\$1,087,798	\$379
Total MBE Procurement	\$1,132,262,233	\$1,308,805,560	\$1,652,187,990	\$1,388,475,881	\$1,642,039,438	\$1,928,879,885	\$1,675,228,624	\$2,146,275,380
Total State Procurement	\$5,673,549,266	\$6,454,144,304	\$7,450,004,264	\$5,995,774,983	\$6,901,737,469	\$7,656,627,573	\$6,871,193,114	\$7,849,390,948
MBE Participation	20.0%	20.3%	22.2%	23.2%	23.8%	25.2%	24.4%	27.3%

Source: <http://goma.maryland.gov/Reports/FY2014MBEStatisticalReportFINAL.pdf>

GOMA's FY 2014 report, Economic Impact of the Maryland Minority Business Enterprise Program, looked at estimated direct, secondary, and total economic impacts from payments made through the MBE program. The report notes that of the \$2.1 billion in total payments, \$1.9 billion (90.6%) was spent on goods and services paid to in-state MBEs. This supported 22,128 direct fulltime equivalent jobs, \$917.3 million in direct wages and salaries and about \$67.4 million in selected direct and State and local tax receipts. The secondary economic impact (backward supplier effects or indirect economic activities) is estimated to be \$1.5 billion in expenditures, 10,949 jobs, \$510.7 million in wages and salaries, and about \$37.1 million in State and local tax revenue.

Financing Programs

MBEs have exclusive access to a loan program called the Linked Deposit Program. Administered through the Division of Neighborhood Revitalization Unit at the Department of Housing and Community Development. This loan program is a statewide initiative designed to increase access to affordable capital. Qualified borrowers receive a 2% discount on specified loans from participating banks.

APPENDICES

Appendix I: Task Force Creation Resolution <u>17-1253</u>	A-1
Appendix II: Appointment Resolution <u>18-23</u>	A-3
Appendix III: Correspondence and Testimony	A-5
a. Task Force Position - Bill 61-14 (A-5)	
b. Public Hearing Testimony - Bill 25-15 (A-6)	
Appendix IV: Guest Speaker Presentations	A-9
a. Office Business Relations and Compliance, March 18, 2015 (A-9)	
b. Griffin & Strong, P.C., April 15, 2015 (A-27)	
c. Department of Economic Development, May 6, 2015 (A-46)	
Appendix V: Memo from Councilmember Navarro	A-73
Appendix VI: Preliminary Recommendations Full Survey Results	A-75

Appendix I

Resolution No.:	<u>17-1253</u>
Introduced:	<u>October 28, 2014</u>
Adopted:	<u>October 28, 2014</u>

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Navarro, Branson, Riemer, and Council President Rice

SUBJECT: Minority Owned and Local Small Business Task Force

Background

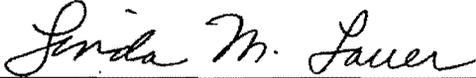
1. The County's current procurement laws and regulations are complex and difficult to navigate for both using departments and vendors.
2. County procurement contracts should be awarded competitively and provide the County with high quality goods and services at reasonable prices.
3. The County procurement process must be open and inviting to all vendors without regard to race, gender, national origin, disability, or size. The County must eliminate the effects of discrimination in the market place on the award of County procurement contracts.
4. The County retained Griffin & Strong, PC (GSPC) to conduct a quantitative analysis of the County's contracting history between July 1, 2007 and June 30, 2012. Within each relevant market, GSPC compared the percentage of firms in each race, ethnicity, gender, and disability group that are qualified, willing and able to perform services used by the County with the percentage of dollars spent by the County on firms in each MFD group. GSPC used this analysis to determine if each MFD group was underutilized or overutilized in each relevant market. GSPC further analyzed the results to determine if the underutilization observed was statistically significant and if the underutilization could be attributed to the MFD status of the firms through both a regression analysis that controlled for other possible explanations, such as business size or experience, and anecdotal evidence.
5. GSPC found a statistically significant underutilization due to the MFD status of the owner for some MFD groups in each procurement category.
6. The County procurement laws have had a preference for minority owned businesses for more than 30 years and a preference for small, local businesses since 2005.
7. To provide options for reform of the County programs for minority owned businesses and local, small businesses, the County Council should create and empower a Montgomery County Minority Owned and Local Small Business Task Force whose recommendations must be presented to the Council.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

1. The County Council must create a Minority Owned and Local Small Business Task Force not later than January 20, 2015. The Council must appoint 9 members and designate one member as Chair of the Task Force.
2. The Task Force must be composed of persons who are experienced in government, business, or non-profit service delivery, or who otherwise have experience and expertise in government contracting. A person appointed to the Task Force must not be employed by County government or any County-funded agency. At least 7 of the members must be County residents at the time of appointment.
3. The Task Force must solicit suggestions for potential reforms of the County procurement system from: elected officials; County residents; business and community leaders; County and agency employees; and other stakeholders. Council staff must provide support to the Task Force.
4. The Task Force must submit its final report to the Council not later than September 15, 2015. The report must contain the Task Force's recommendations to reform the County procurement system. For each recommendation, the Task Force's report must include the rationale.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

Appendix II

Resolution No.: 18-23
Introduced: January 20, 2015
Adopted: January 20, 2015

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: County Council

SUBJECT: Appointments to Minority Owned and Local Small Business Task Force

Background

1. Resolution No. 17-1253 adopted on October 28, 2014, established the Minority Owned and Local Small Business Task Force to provide options for reform of the County programs for minority owned businesses and local, small businesses.
2. The Task Force must be composed of persons who are experienced in government, business, or non-profit service delivery, or who otherwise have experience and expertise in government contracting. A person appointed to the Task Force must not be employed by County government or any County-funded agency. At least 7 of the members must be County residents at the time of appointment.
3. The Task Force will make recommendations to reform the County procurement system in a final report to be submitted to the Council not later than September 15, 2015.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

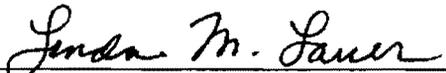
1. The following individuals are hereby appointed to the Minority Owned and Local Small Business Task Force:

Mayra Bayonet
Cherian Eapen
Janice Freeman
Leon Hollins
Bethsaida Wong

Margo Briggs
Warren Fleming
Julian Haffner
Herman Taylor

2. The Honorable Herman Taylor will serve as Chair.

This is a correct copy of Council action.



Linda M. Lauer, Clerk of the Council

Appendix III



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

MINORITY OWNED AND LOCAL SMALL BUSINESS TASK FORCE

June 3, 2015

The Honorable George Leventhal
Council President
Montgomery County Council
Council Office Building
100 Maryland Avenue, 5th Floor
Rockville, MD 20850

Dear Council President Leventhal:

On behalf of the recently appointed Montgomery County Minority Owned and Local Small Business Task Force, we take the following position as it relates to Bill 61-14. The proposed legislation seeks to establish a Local Business Subcontracting Program requiring 10% of high value contracts pegged at greater than \$10 million to be subcontracted to local businesses.

Position

1. It is our understanding that the preparation and introduction of Montgomery County Council Bills occur as a result of identified and substantiated problem areas. Bill 61-14 appears not to be based on a rigorous analysis of relevant historical contract data to warrant legislation of this magnitude. While occasional anecdotal evidence is available, it does not rise to the level sufficient to enact legislation at this time.
2. It is further our position that Bill 61-14 detracts from the County's Local and Small Business Reserve Program (LSBRP) by creating additional workload for the Office of Procurement. Increased workload would take the form of local business certification and tracking. Additionally, time and attention to the LSBRP would lessen as a result.

Thank you for giving the Task Force an opportunity to express our views.

A handwritten signature in black ink, appearing to read "Herman Taylor", written over a horizontal line.

Herman Taylor
Chair, Minority Owned and Local Small Business Task Force

Cc: Councilmember Nancy Navarro, Chair, Government Operations and Fiscal Policy Committee

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MINORITY OWNED AND LOCAL SMALL BUSINESS TASK FORCE

PUBLIC HEARING TESTIMONY

BILL 25-15

JUNE 9, 2015

Good afternoon Council President Leventhal and members of the Council. My name is Herman Taylor, Chair of the Minority Owned and Local Small Business Task Force-initiated by Council Member Navarro. Thank you for today's opportunity to comment on the current version of Bill 25-15, Economic Development Reorganization.

As a County Business Owner, Task Force Chair, and Managing Director of the recently organized Minority Business Economic Council –I have, as do many others, a strong interest in Bill 25-15. I applaud the vision of the County Executive for his initiation of this legislation, and offer the following as the Bill proceeds through the legislative process.

1. The proposed economic development corporation must not lose sight of this important commitment to **ALL** County businesses as described in Chapter 30 B-1-Policy Objectives of the legislation, and in so doing

must make certain that minority owned businesses in general, and African American firms in particular, are provided fair opportunities to compete for County contract awards consistent with their presentation. Also be reminded that the County's collective population of African American, Hispanic, and Asian residents now represent a significant percentage of the overall County population. This necessary emphasis on remedying the underutilization of minority vendors is most importantly a legal matter that stems from the findings documented in the Griffin & Strong Disparity Study commissioned by the County. The successful marketing and promotion of minority businesses must be a priority for the proposed economic development corporation.

2. It is also important that the Economic Development Corporation's Board of Directors, and key senior staff be representative of the community's diversity at **ALL** levels. Close attention must also be paid to ensure that voting members are sensitive to and supportive of remedying underutilization of minority businesses in the contract awarding process. When listing all of the other stellar County results

that have been accomplished over the years – it remains disappointing what has not been accomplished in the minority business contract award arena.

3. On another note, I am certain that we all agree that successful organizational change requires that performance metrics be vetted and established early on. Spelling out in specific detail what will constitute economic development corporation success is key.

If accountability is agreed upon and established, the greater is the likelihood that objectives as outlined in Chapter 30 of the legislation will be met. I encourage the Council to spend ample time reviewing the proposed performance metrics of the economic development corporation before they are etched in stone.

In summary, the Task Force supports this legislation assuming that the points previously mentioned are given serious consideration. Thank you for opportunity to testify before you today.

Welcome!

**Department
of General
Services**

David E. Dise
Director



**Office of
Business Relations
and Compliance**

Grace Denno
Manager

**MONTGOMERY COUNTY'S Contracting Opportunities
for Minority, Small, Local Businesses**

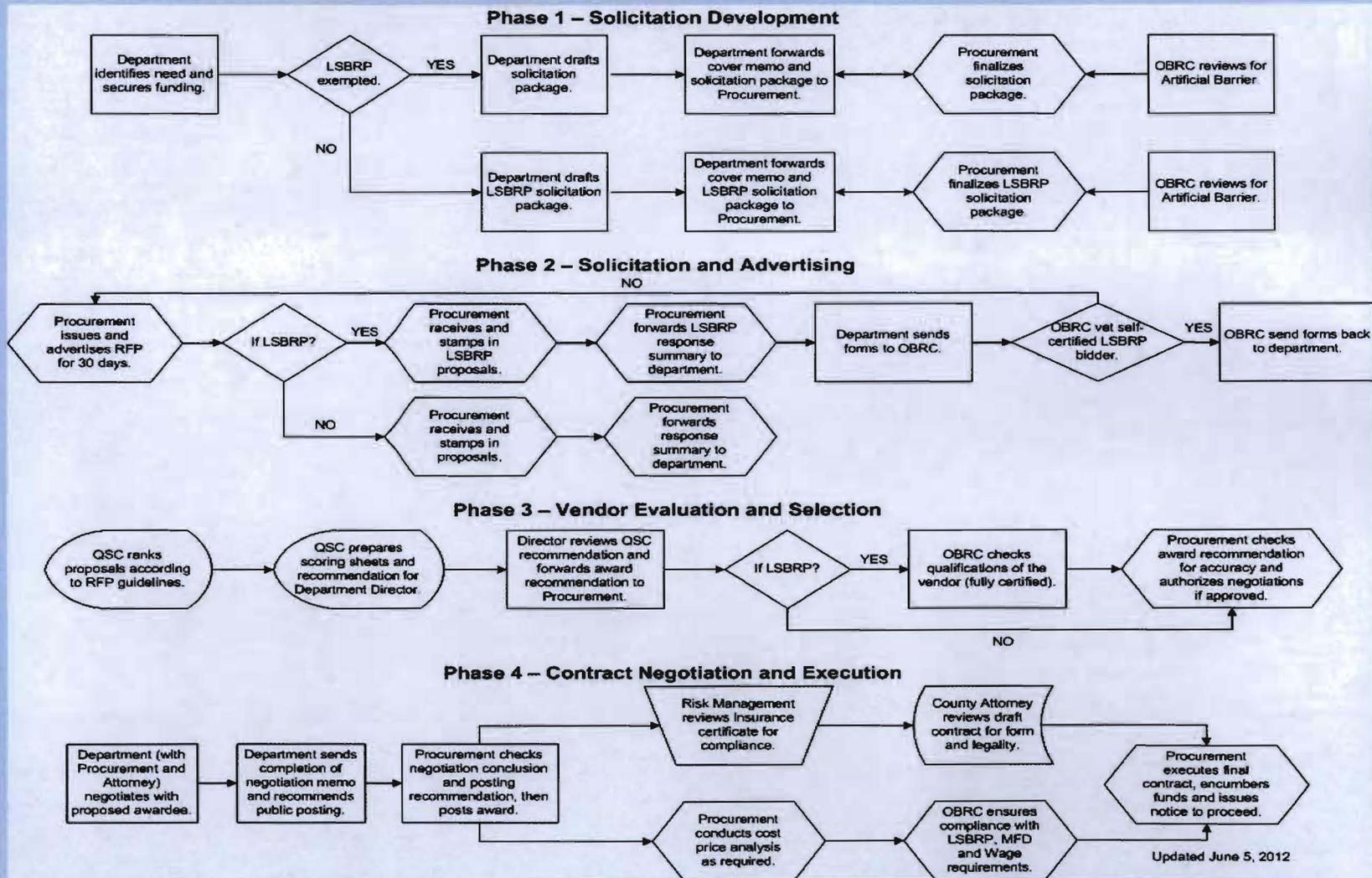
MONTGOMERY COUNTY'S
Office of Business Relations and Compliance

KEY RESPONSIBILITIES

- **Minority, Female and Disabled (MFD) Owned Business Program**
- **Local Small Business Reserve Program (LSBRP)**
- **Wage Requirements (Living) Law**
- **Prevailing WAGE Law**
- **Equal Benefits Law**
- **Business Relations and Outreach**

MONTGOMERY COUNTY'S Office of Business Relations and Compliance

Procurement Process



MONTGOMERY COUNTY'S
Office of Business Relations and Compliance

Procurement Process

- **Departments draft solicitations**
 - **Formal Solicitations (> \$100,000)**
 - **Informal Solicitations (> \$10,000 and < \$100,000)**
 - **Direct Purchase (<\$10,000)**
- **Procurement, OBRC, Attorneys review**
- **Procurement posts solicitations for competition**
- **Pre-bid conferences**
- **Proposal Writing and Submission**
 - **MFD, Wage attachments**

MONTGOMERY COUNTY'S
Office of Business Relations and Compliance

Procurement Process

- **Quality Selection Committee (QSC)**
 - Normally 90 days to submit award recommendation
- **Award process**
 - LSBRP Full Certification
 - MFD Compliance Review
- **After the award has been made**
 - Request Debriefing

Opportunities for MFD Businesses



MONTGOMERY COUNTY'S

Minority, Female, Disabled Persons Program

Minority, Female and Disabled Persons (MFD) Program Certifications

Agency	Program	Description
Maryland Department of Transportation	Minority Business Enterprise	MDOT Directory of Certified MBE and/or DBE firms (MDOT-MBE)
Virginia Department of Small, Women and Minority Owned Business Program	Small Woman and Minority	Directory of Certified firms (SWAM)
Federal Small Business Administration	8(a) Program	Directory of Certified 8a firms (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)

MONTGOMERY COUNTY'S Minority, Female and Disabled Persons (MFD) Program

INFORMATION AND NETWORKING OPPORTUNITIES



Prime-Sub contractors Meet and Greet for Silver Spring Library Construction

When: Wednesday, July 25th 2pm - 4pm

Where: Lobby Auditorium, Executive Building, 101 Monroe St. Rockville, MD

Audience: MFD vendors (Minority, Female, Disabled persons owned businesses)

Potential Prime Contractors who will be presenting:

- The Donohoe Companies, Inc.
- Clark Construction Group, LLC
- Costello Construction
- Hess Construction & Engineering Services, Inc.
- Morgan-Keller, Inc.
- Dustin Construction, Inc.
- Cookley & Williams Construction, Inc.
- Grunley Construction Co.

Other presenting departments/agencies:

- Division of Building Design and Construction, DGS
- Office of Special Projects, DGS
- Office of Planning & Development, DGS
- Division of Transportation Engineering, DOT
- Montgomery County Public School
- Montgomery College
- Housing Opportunity Commission
- WSSC
- MNCPPC

Office of Business Relations and Compliance
Department of General Services



Local and Minority Vendor Meet and Greet

When: Wednesday, October 30th, 2013 2-4 pm

Where: Great Hall, Silver Spring Civic Build,
1 Veterans Place, Silver Spring, MD 20910

Registration: No registration required. The event is free.

Projects: Dennis Avenue Health Center
Colesville Maintenance Depot Addition and Renovation

Presenting Prime Contractors:	Presenting County Agencies/Departments:
Cookley & Williams Construction, Inc.	DGS/Building Design & Construction
Dennis Construction, Inc.	DGS/Office of Special Projects
Keller Brothers, Inc.	DGS/Office of Planning & Development
W.M. Schlosser	DGS/Office of Business Relations & Compliance
Tech Contracting Co., Inc.	DGS/Facility Maintenance Services
Hess Construction + Engineering Services, Inc.	DOT/Transportation Engineering
Howard Shockey & Sons, Inc.	Department of Economic Development
Walsh Construction Company, LLC	Department of Environmental Protection
The Whiting-Turner Contracting Co.	MCPD/Construction Procurement
Noreve, LLC	Montgomery College/Construction Procurement

Contact: Al Boss at 240-777-9912. Or Michael Brown at 240-777-9913

www.montgomerycountymd.gov

Office of Business Relations and Compliance
Department of General Services
Montgomery County, Maryland

MONTGOMERY COUNTY'S

Minority, Female and Disabled Persons (MFD) Program

Comparison of MFD Contract Activity: FY 12 to FY 14

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	19.56%	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%



Opportunities for Small Businesses



MONTGOMERY COUNTY'S
Local Small Business Reserve Program

MONTGOMERY COUNTY'S
Local Small Business Reserve Program

ELIGIBILITY THRESHOLDS – what is “SMALL”?

NEW Size and Sales Eligibility*

Type of Business	Employee Limit	Prior 3 Years' Average Sales	Compliance Requirement
Retail	30	\$5 million	Wage-MFD
Wholesale	30	or \$5 million	Wage-MFD
Service	50		Wage-MFD
Construction	50	\$14 million	Prevailing-MFD
Manufacturing	40	\$14 million	Wage-MFD



MONTGOMERY COUNTY'S Local Small Business Reserve Program

INFORMATION AND NETWORKING OPPORTUNITIES



IT Open House for Montgomery County IT vendors

When: June 3, 2013 1:00 pm to 3:00 pm

Location: Montgomery County Executive Office Building Auditorium
101 Monroe St. Rockville, MD 20850

Registration: No registration is required, this event is free

Calling for Montgomery County IT vendors! Come and meet with contract administrators and decision makers on purchasing IT products and services. Explore possible opportunities for doing business in the IT field with Montgomery County departments and agencies.

Presenting Participants:

- Montgomery County Department of Technology Services
- Cable Office
 - Networking and Telecommunication
 - IT Professional Services
 - IT Commodities

Montgomery County Department of Liquor Control (IT team)
Montgomery County Department of Transportation (IT team)
Montgomery County Department of Health and Human Services (IT team)
Montgomery County Department of General Services (IT procurement team and OBRC)
Montgomery County Department of Economic Development
(Small Business Development team)

Montgomery College (Procurement)
Montgomery County Public Schools (Procurement and IT team)

Contact:
Office of Business Relations and Compliance, DGS
240-777-9913
obrc@montgomerycountymd.gov



How to write good proposals

When: March 16, 2012 10:00 am -12:00 noon

Location: Lobby Auditorium, Executive Building,
101 Monroe St. Rockville, MD 20850

Speakers: Pam Jones, Chief, Office of Procurement
Department of General Services
Montgomery County, Maryland

Jackie Wolfe
CEO
Wolfe Proposals



Agenda:

- 10am:** Opening Remarks David Dize
Director, Department of General Services
- 10:05am:** Introduction Grace Denno
Acting Manager, Office of Business Relations and Compliance
- 10:10am:** Checklist: Writing an effective proposal — Pam Jones
(What is Montgomery County looking for in your proposal)
- 11:00am:** Break
- 11:10am:** How to make your proposal stand out — Jackie Wolfe
(Perfecting writing techniques and delivering winning proposals)
- 12:00pm:** Meeting Adjourned

MONTGOMERY COUNTY'S Local Small Business Reserve Program

Exempt Contract Expenditures, FY11-FY14 (\$ in Millions)								
Exemption Categories	FY11		FY12		FY13		FY14	
	\$	%	\$	%	\$	%	\$	%
Chief Administrative Officer Waiver	\$ 0.30	0.03%	\$ 0.00	0%	\$ 0.00	0%	\$0.00	0%
Conflicts with law or grant	\$ 13.00	1.34%	\$ 11.37	1.68%	\$ 5.82	0.81%	\$6.34	0.95%
Public or Emergency Procurement	\$ 43.50	4.47%	\$ 6.12	0.90%	\$ 10.99	1.54%	\$14.94	2.27%
Non-competitive contract	\$ 22.30	2.29%	\$ 12.75	1.88%	\$ 25.35	3.55%	\$51.61	7.83%
Pre-existing Contract	\$307.80	31.66%	\$465.25	68.71%	\$452.56	63.30%	\$407.54	61.84%
Procurement Exceeds \$10 million	\$561.90	57.80%	\$163.39	24.13%	\$210.35	29.42%	\$172.57	26.19%
No LSBRP vendor deemed qualified	\$ 23.40	2.41%	\$ 18.29	2.70%	\$9.82	1.37%	\$6.03	0.91%
Total	\$972.20	100%	\$677.17	100%	\$714.90	100%	\$659.03	100%



**MONTGOMERY
COUNTY'S
Local Small
Business Reserve
Program**

	FY11	FY12	FY13	FY14
Solicitations Reserved under LSBRP and Awarded to LSBRP vendor	60	62	46	56

In \$ Values	FY11	FY12	FY13	FY14
	Contract Value	Contract Value	Contract Value	Contract Value
Award to LSBRP	\$58,178,516	\$83,652,699	\$45,123,467	\$26,231,520
% of Eligible	36.50%	38%	38%	27%

In \$ Values	FY11	FY12	FY13	FY14
Total Encumbrance to LSBRP	\$46,929,791	\$72,501,369	\$96,749,607	\$96,270,979

MONTGOMERY COUNTY'S Office of Business Relations and Compliance

DIRECTORY OF LSBRP and MFD VENDORS

MONTGOMERY COUNTY
Maryland

Central Vendor Registration System

February 26, 2013

Search For **Local Small Business** with (/c=918-20,918-21,918-75,918-76) [EXPORT to Excel]
 { LSBRP - **S** = **Self Certified** / **F** = **Fully Certified by MCG DGS-OBRC** }
 { MFD - Certified as Minority, Female, Disabled Owned Business by **agency** - confirmed by MCG DGS-OBRC }:

VENDORS

LOG ON

REGISTER

LOG OFF

SEARCH

SOLICITATION LISTINGS

CONTACTS

FAQs

AGENCY

21 to 30 of 136 Previous -- Next

LSBRP	MFD	Company Name	Contact/Address	Phone/EMail	Commodities/Services
S (09/20/2010)		Business Matters Etc (B M E)	Rina Russ 1 Research Ct Ste 450 Rockville, MD, 20850	(301) 529-3668 russ@businessmattersetc.com	Ammonia and Other Chemicals, Household (Plain or S) Applicators, Floor Finist Types (Except Brush Disinfectants, Spray an Powdered, Environmen (more...)
S (02/09/2012)	MDOT,MSDC	Business Promotion Consultants Inc	Norma Byrd 8730 Georgia Ave Ste 312 Silver Spring, MD, 20910	(301) 589-0942 normabyrd@bpci.com	Meter Boxes, Meter Vau and Valve Boxes (See 2 Meters, Water Meter Fittings, Water, Accessories, Parts, and Con (more...)
S (01/31/2012)	MDOT,SBA8a	Business-Community Synergies	A Rani Parker 104 Elm Avenue Takoma Park, MD, 20912	(301) 270-2241 rparker@bcsynergies.com	Anthropology Consultin Communications: Publ Relations Consulting Community Developme Consulting (more...)
S (07/19/2010)	MDOT	Clark Concepts LLC	Pamela Clark 155 Gibbs St Ste 531 Rockville, MD, 20850	(301) 340-7445 pam@clarkconcepts.com	Souvenirs: Promotional Advertising, etc. Signage, Advertising Ty (Interior and Exterior) Advertising Agency Sen (more...)
S (10/11/2011)		Clavis LLC	Valerie Navolio 5500 Roosevelt St Bethesda, MD, 20817	(301) 922-6860 vnavolio@clavis.us	Prisoner Tracking Devic Electronic (Wrist and L Monitoring Services: Parolee, Patient, Convic Management Consultin (more...)

NEED HELP?

CLICK TO

CHAT NOW

MONTGOMERY COUNTY'S Office of Business Relations and Compliance

RESIDENTS	GOVERNMENT	BUSINESSES	CULTURE & LEISURE
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OFFICE OF PROCUREMENT - CONTRACT LOG

[Procurement](#)
[Public Information](#)
[Services](#)

[Home](#) | [Awardees](#) | [Bill 3-04](#) | [Bid Tabulations](#) | [Contracts](#) | [County Council Awards](#) | [Open Solicitations](#) | [Pending Solicitations](#) | [Projects](#)

[VIEW THE CONTRACT LOG](#) [HELP](#)

The form below consists of the contract database fields on which you may search and return contracting information and publicly releasable portions of documents. You may search using one or more fields and your search can include partial or complete information within a field. All contracting documents may not be available for download at this time. A weekly maintenance is performed every Monday afternoon between 5:00pm and 7:00pm. During this time, you may perform searching functions but will not be able to download actual documents.

All available contracting documents are compressed and in PDF format. You will need a decompression utility (i.e. Winzip, Stuffit, 7-Zip) and [Adobe Reader](#) in order to view all documents.

Contract Number:
 Description:
 Vendor:
 Contract Type:
 Department:
 Expiration (mm/dd/yyyy): between and
 Extension (mm/dd/yyyy): between and

Record(s) found: 52 Click on the Contract Number for detail
 Page 1 of 6 [<< Previous](#) [Next >>](#)

ⓘ - Indicate there are documents available for downloading.

Contract Number	Vendor	Department
9802000106AA ⓘ		
Consulting Services for Green Business Certification Program	GHD INC	Department of Environmental Protection
9801000126AA		
Water Quality and Watershed Consulting Services	CH2M HILL	Department of Environmental Protection
9505503008CC ⓘ		
Parking Operations Consulting Services	WISS JANNEY ELSTNER ASSOC	Department of Transportation
9505503008BC ⓘ		
Parking Operations Consulting Services	CARL WALKER INC	Department of

RESIDENTS	GOVERNMENT	BUSINESSES	CULTURE & LEISURE
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OFFICE OF PROCUREMENT - CONTRACT LOG

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[VIEW THE CONTRACT LOG](#) [HELP](#) [PRINT](#)

Contract: 9331000349AA

Description: Labor/Economic Consulting Services in Support of Collective Bargaining

Expiration: 8/2/2012
Extension: 8/2/2012
Insurance Expiration: 11/30/2011
Bond Expiration: 1/1/9999
Contract Execution: 7/29/2009

Vendor

Public Financial Management, Inc
 Two Logan Square, 10th and Arch Street, Suite 1600
 Philadelphia PA 19103-2770

Contact: Michael Nadol
Phone: 2155676100
Fax: 2155674180

Buyer: [Hudson, Janique](#)

Phone: 240 777 9954
Fax: 240 777 9952

Department: Office of Human Resources

Administrator: Jenna Shovlin
Phone: 2407775039

Available Contract Documents

Select at least one contract document from below option(s). Click [here](#) for instructions on how to uncompress and view your documents.

CONTRACT SOLICITATION

MONTGOMERY COUNTY'S
Office of Business Relations and Compliance

On-line Resources



- **Registration and Certification:** www.mcipcc.net
 - Register as a vendor
 - Register up to 100 NIGP codes
 - Declare LSBRP and MFD certifications
 - Vendor Search
- **Solicitation Postings:**
http://www6.montgomerycountymd.gov/content/DGS/pro/public_solicitations.asp
- **Contract Search:**
<http://www.montgomerycountymd.gov/contractregister>
- **Details on each program:**
<http://www.montgomerycountymd.gov/obrc>
- **Montgomery County Building Construction Projects:**
<http://www.montgomerycountymd.gov/neighborhoodprojects>



Thank You

www.montgomerycountymd.gov/obrc

Grace Denno

240-777-9959

grace.denno@montgomerycountymd.gov

**Manager, Office of Business Relations and Compliance
Department of General Services
Montgomery County, Maryland**

MONTGOMERY COUNTY
MARYLAND
2014 Disparity Study

GS GRIFFIN &
STRONG P.C.

235 Peachtree Street, NE Suite 400
Atlanta, GA 30303
Phone: (404) 584-9777 fax: (404)
584-9730

April 15, 2015



STUDY TEAM

- **Dr. Gregory Price, Senior Economist**
- **Winston Terrell Group, Anecdotal Supervisor**
- **Cardell Orrin, Data Analyst**
- **Copeland & Associates, Purchasing, Practices, Policies, and Procedures Review**
- **Leronia Josey & Associates, Anecdotal Interviews**
- **Oppenheim Research, Inc., Telephone Survey**
- **1st Choice Staffing, Data Entry**



April 15, 2015

TECHNICAL APPROACH



April 15, 2015

DISPARITIES IN PRIME CONTRACTING

	Construction	Professional Services	Services	Goods
African American	●	●	●	●
Asian American	●	●	●	●
Hispanic American	●	●	●	●
Native American	●	●	●	●
Female	●	●	●	●
Disabled	●	●	●	●

- POs, DPOs, and P-card
- POs and P-card Only
- DPOs and P-card Only



April 15, 2015

DISPARITIES IN SUBCONTRACTING

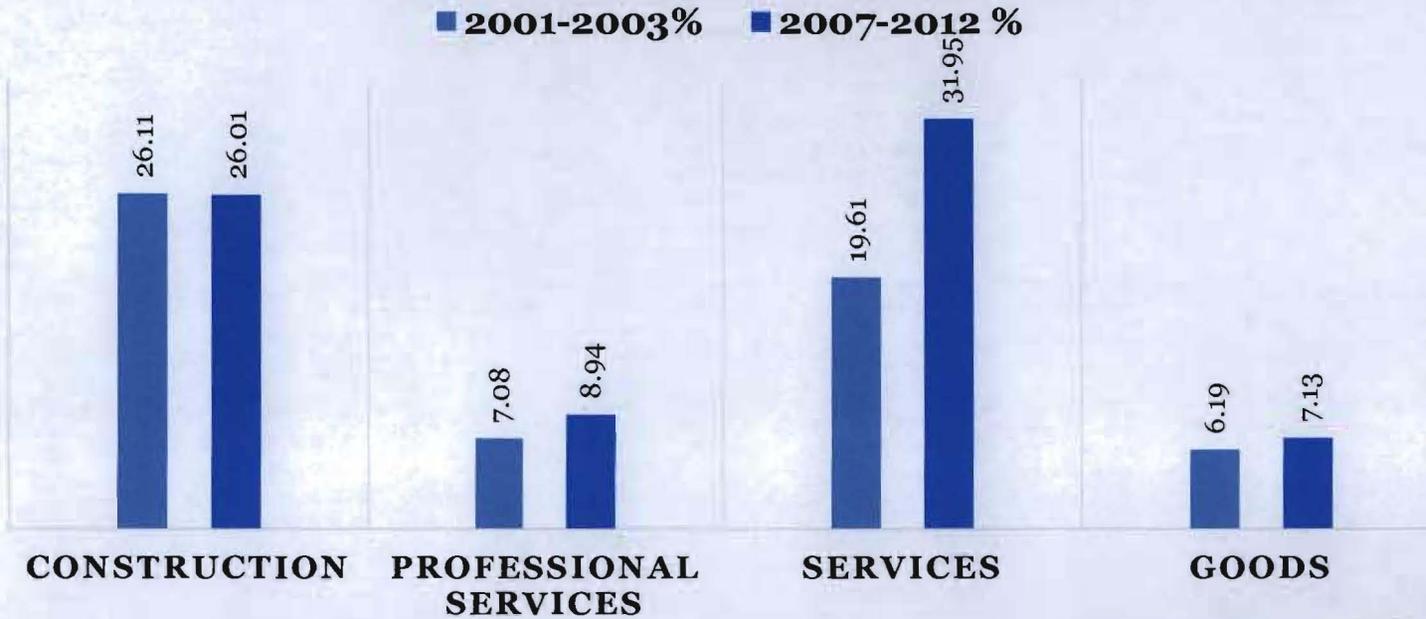
	Construction	Professional Services	Services	Goods
African American	●	●	●	●
Asian American	●	●	●	●
Hispanic American	●	●	●	●
Native American	●	●	●	●
Female	●	●	●	●
Disabled	●	●	●	●

● Disparity Found
 ● No Disparity



April 15, 2015

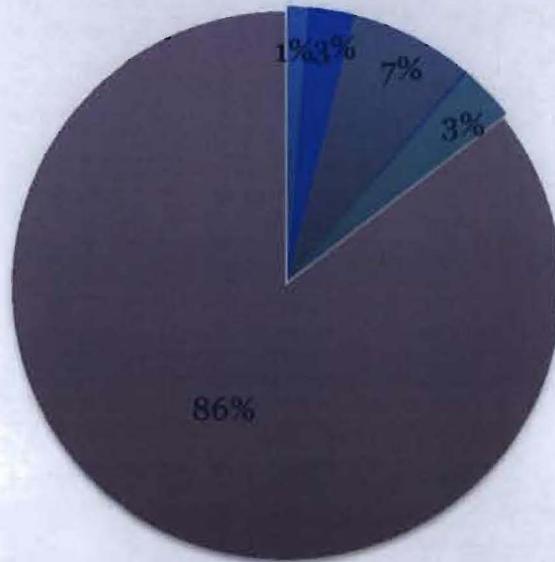
MFD PRIME UTILIZATION COMPARISON (FROM PO'S)



GS GRIFFIN &
STRONG P.C.

April 15, 2015

Utilization in Dollars (Prime Contracting, Purchase Orders)



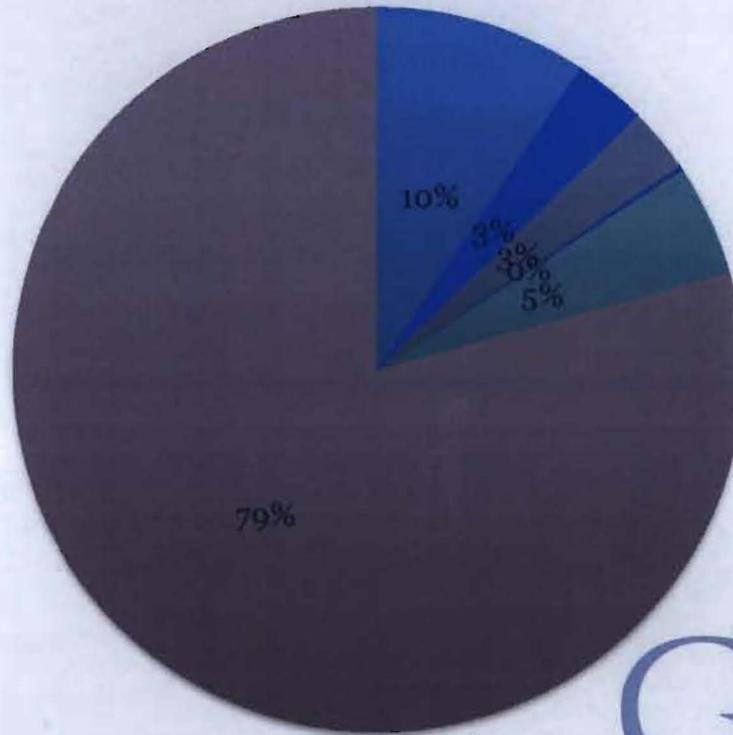
- African American
- Asian American
- Hispanic American
- Native American
- White Female
- Non-MFD



April 15, 2015

Relevant Market Availability (Average across all categories)

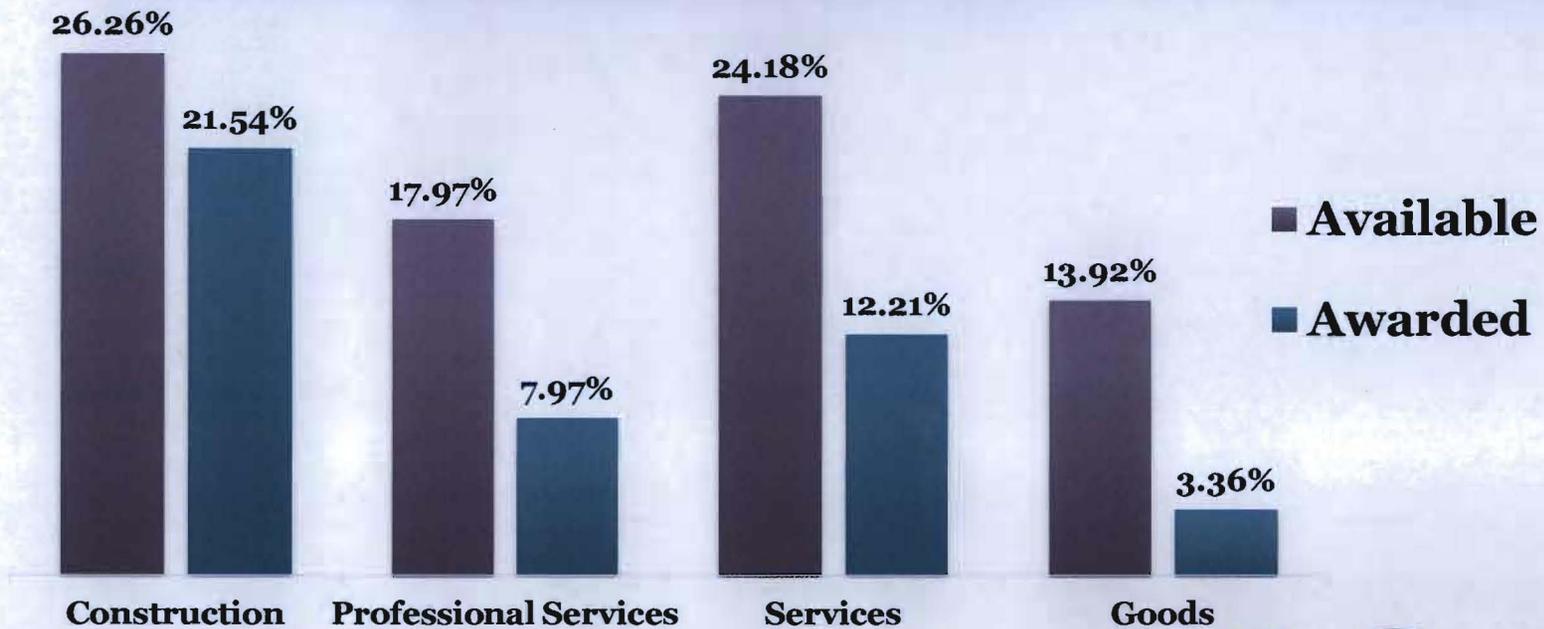
- African American
- Asian American
- Hispanic American
- Native American
- White Female
- Non-MFD



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April 15, 2015

MINORITY AND WOMEN OWNED BUSINESS AVAILABILITY VS. AWARDS (PO'S)



April 15, 2015

REGRESSION ANALYSIS

MFD FIRMS

Are:

MORE LIKELY to need start-up and expansion financing

LESS LIKELY to secure bank loans and venture capital

LESS LIKELY to become self employed

But Are:

JUST AS LIKELY to pursue public contracting

And

DISPARITIES are explained by their race, gender, and disabled status



April 15, 2015

ANECDOTAL EVIDENCE

FOCUS GROUP

PUBLIC HEARING

INDIVIDUAL INTERVIEWS

PURCHASING PRACTICES REVIEW

EMAIL COMMENTS

TELEPHONE SURVEY

- ✓ **Good old Boy Network**
- ✓ **Cumbersome Proposals**
- ✓ **Need Set-asides**
- ✓ **Fear Retaliation**
- ✓ **More Transparency and Feedback**
- ✓ **County is Fair**
- ✓ **Bonding Impediments**
- ✓ **Not Interested in MFDs**

GS GRIFFIN &
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April 15, 2015

- Annual goals for African-Americans
- Narrowly-tailored



- Economic Development Contract Goals
- MFD Participation on Private Sector Projects

OPPORTUNITY

- MFD Collaboration
- Joint-Venture Contracts

- Performance Reviews
- Program training
- SOP



April 15, 2015

RECOMMENDATIONS

1. Annual Goals for African American Participation

African American owned firms are the only race/ethnic/gender group that was underutilized in every procurement category, in every year of the study.



April 15, 2015

RECOMMENDATIONS

2. Standard Operating Procedures for Procurement and MFD Officer

GSPC's research found that there was a perception of Montgomery County as a closed, exclusionary, informal network, that we believe is the result of lack of standardized organization and training, and lack of transparency of process.



April 15, 2015

RECOMMENDATIONS

3. Program Training and Monitoring

Procurement training should be reviewed and revised to include more extensive training on non-discriminatory practices and MFD participation/goals.



April 15, 2015

RECOMMENDATIONS

4. Performance Reviews and Evaluations

County employees and user departments should be evaluated based on the quality, transparency and overall effectiveness of their programs and attempts to reach goals.



April 15, 2015

RECOMMENDATIONS

5. Private Sector Initiatives

Montgomery County should consider private sector initiatives, such as including MFD goals in their economic development contracts.



April 15, 2015

RECOMMENDATIONS

6. Promote MFD Collaboration/Joint-Venture Contracts

In order to encourage participation on high-dollar contracts, Montgomery County should look for instances in which MFD capacity can be increased to match contract size.



April 15, 2015



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FIND US ON THE WEB AT
WWW.GSPCLAW.COM

April 15, 2015



**Montgomery County Department
of Economic Development**
*Local Small & Minority Business
Services & Outreach*

FY14 through March 2015

*Prepared by the Division of Small &
Minority Business Empowerment (DBE)
May 6, 2015*

DED Small & Minority Business Services
Key Areas of Focus

- **Business Assistance Programs**
 - Montgomery County Business Innovation Network (BIN)
 - Contract Management of Organizational Grants
 - Mentorship Program
 - Emerging Leaders
 - Small Business Revolving Loan Program
 - Buy Local Program

- **Direct Gov-to-Biz Services**
 - Small Business Navigator
 - Small Business Resource Seminars
 - Maryland Small Business Development Center (SBDC)
 - International Trade Assistance
 - Office Hours

DED: Small & Minority Business Services *Key Areas of Focus, (cont'd.)*

- **Outreach, Recognition & Promotion**
 - LSBRP/MFD Outreach/Promotion
 - Conference & Event Sponsorships & Exhibits
 - Small Business Awards Recognition Luncheon
 - DED eBiz, eCalendar & Social Media Promotion

Business Assistance Programs:

Montgomery County Business Innovation Network (BIN)

- Montgomery County maintains a network of business incubators located in Wheaton, Silver Spring, Rockville and Germantown. In addition to providing direct support to tenants, the BIN also hosts a series of educational and informational seminars open to the business community at large.



- 49% of incubator tenants are minority- or woman-owned.
- 62 events have been offered to the business community from January 2014 to date.
- Events attracted an average of 13 participants.
- Programs received an average score of 3.52 (content) and 3.64 (presenter) out of a possible score of 4.0.

**Business Assistance Programs:
Contract Mgmt. of Organizational Grants**

Latino Economic Development Corporation (LEDC)

	FY12	FY13
Small Business Development (Training & TA)		
Business Training Sessions*	50	34
Entrepreneurs Trained	381	387
Entrepreneurs Receiving one-on-one Technical Assistance	272	188
Businesses Created	22	22
Small Business Lending		
Loans to Small Businesses	17	31
Total Amount Loaned to Small Businesses	\$272,758.19	\$517,620.82

**Business Assistance Programs:
Contract Mgmt. of Organizational Grants**

Rockville Economic Development, Inc. (REDI)/Rockville Women's Business Center

Funding for the Rockville Women's Business Center (RWBC) helps support its mission to help Montgomery County's diverse population start and build women-owned enterprises that are positioned for long-term growth in the community.

	FY12	FY13
Workshops Held	42	29
Number of Participants	936	342
Technical Assistance (counseling and peer groups) sessions	196	447
Participants Receiving technical assistance	75+	250

Business Assistance Programs: *Contract Mgmt. of Organizational Grants*

University of Maryland's Small Business Development Center

The Scope of Services in the MOU for the University of Maryland's Small Business Development Center Network focuses on providing counseling and training to assist with the creation, operation and expansion of small businesses in Montgomery County.

	FY13	FY14
New Business Created	15	9
Jobs Created	209	67
Number of Loans	11	7
Dollar Amount of Loans	\$3.5 million	\$2.4 million
Total Capital Loans/Equity	53	57
Dollar Amount of Loans/Equity	\$6.0 million	\$2.6 million
Total Client Counseled	305	342
Total Training Events	134	225
Training Attendees	1,378	2,342

Business Assistance Programs: *Contract Mgmt. of Organizational Grants*

Empowered Women International

Empowered Women International provides entrepreneurship training, mentoring, business coaching and support services to immigrant, refugee and low-income women residents of Montgomery County. DED began monitoring this contract in FY 2014.



	FY14
New Businesses Created	22
Participants in Growth Accelerator	12
Entrepreneurs Receiving One-on-one Counseling	74
Outreach Events	34

Business Assistance Programs: ***Small Business Mentorship Program***

- Year-long, targeted business mentoring program aimed at helping new entrepreneurs and small business owners increase their management, financial, marketing, sales and growth skill sets.
- About 10-12 participants meet once a month at DED offices, or at other business locations within the County, to hear presentations on business-specific topics presented by seasoned business leaders and owners.



2015 Mentorship class participants listen to presenter Gerald Kaiz, Pres., ALF Consulting, specializing in business marketing, sales & training, at DED offices in April.

Business Assistance Programs: ***Small Business Mentorship Program***

- **2014 participants:**
 - Dreams Roller Rink - Entertainment venue
 - Ensign Consulting – Strategic management consultant
 - Finances De-Mystified, LLC – Personal finance coaching/solutions
 - 3E Global Konsulting, Inc. - Quickbooks training and support
 - Genesis Strategic Solutions, Inc. – Data analysis and reporting
 - Hardy Company, LLC – Transportation company
 - JDM Consulting Group – Risk management company
 - Plaquita Sports, LLC – Clothing and customized apparel
 - Soldierfit – Health & fitness facility

**Business Assistance Programs:
*Small Business Mentorship Program***

- 2015 participants:
 - Arise Consulting
 - Bass Accounting and Tax Services
 - Britt Enterprises, LLC
 - Casa Florentino Real Estate Company
 - Green Leaf Cleaners and Valet
 - Jada Solutions, Inc.
 - LGI Advisors
 - Mellidec Engineers
 - NG Security Solutions
 - Taccounting-Professional Accounting & Staffing Services?
 - Uprising Builders, LLC

**Business Assistance Programs:
*SBA Emerging Leaders Program***

- The SBA's Emerging Leaders Initiative is a national program that offers executive education to prepare and encourage small businesses to move to the next level. The program is designed to enhance entrepreneurial success, generate new jobs, attract investment and provide participating companies with a sustainable economic base.
- This year, the Department – through the initiative of the Division of Business Empowerment – partnered with the SBA's District Office to host one of two Metro DC area Emerging Leaders programs at our Rockville offices.

Business Assistance Programs: *SBA Emerging Leaders Program*

- Twenty area "emerging leaders" (10 from Montgomery County) attend a series of 13 bi-weekly classes. The series started in early April and runs through early October, culminating in a graduation ceremony October 21st at the Silver Spring Civic Building.

2015 Emerging Leaders Program participants from Montgomery County are:

- Angela Graham, Quality Biological, Gaithersburg
- Beatrice Key, Key & Associates, Silver Spring
- Carmen Larsen, Aquas Inc., Bethesda
- Ryan Nuessle, Bravium Consulting, Kensington
- David Posin, SOLDIERFIT, Gaithersburg
- Aaron Udler, Office Pro, Gaithersburg
- Mary Windham, Occasions, Inc., Rockville
- Lindsey Allard Agnamba, School Readiness Consulting, LLC, Silver Spring
- Rosa Caldas, ZemiTek, Silver Spring
- Nhora Murphy, TMNcorp, Silver Spring



Emerging Leaders listen as instructor Tim Kerin leads a session at DED's Rockville offices.

Business Assistance Programs: *Small Business Revolving Loan Program*

- Direct loans, or participation in loans made by other financial institutions, to small businesses in Montgomery County.
- Targeted for Montgomery County-based small businesses with gross revenues of less than \$5,000,000 annually and fewer than 75 employees.
- Eligible businesses must also meet one of following needs:
 - Program funds must assist the start-up or expansion of the business, or
 - Program funds must help retain and stabilize the business.
- Program assistance typically ranges from \$5,000 to \$100,000, with maximum terms up to 5 years.
- Collateral and principal's personal guarantee are required.

Business Assistance Programs: *Small Business Revolving Loan Program*

- Examples of loans made by DED via the SBRLP:
 - All African Food Stores
 - Fireworks Art Café
 - Hollywood East
 - Marimej Entertainment
 - Mayorga Coffee Roasters
 - Mendoza & Associates
 - Pyramid Atlantic
 - Shawn Bartley & Associates

Business Assistance Programs: *Buy Local Initiative*

- Based on contracted research by DED to ascertain the extent of local contracting outreach and awards by several public- & private-sector entities in Montgomery County, the DBE is working to increase local contract opportunities and awards by about targeted entities to start.
- DBE staff has met with procurement managers at Housing Opportunities Commission, Marriott, Montgomery College and Westat. During these meetings, the County's CVRS/LSBRP/MFD were reinforced as valuable tools for reaching and finding qualified local vendors.
- All of these entities were familiar with and use these tools but agreed to make sure their procurement teams were indeed making full use of the search functions of the CVRS for procurement opportunities.

Business Assistance Programs: ***Buy Local Initiative***

- Additionally, Montgomery County joined with Prince George's County to introduce State Bill 1016 in February authorizing MNCPPC to establish a Certified County-based Business Participation Program. Awaiting the outcome of this legislation.
- The four companies met with, along with several other entities contacted via email, have let DED/DBE know of their willingness to more actively participate in targeted, County-sponsored procurement fairs and vendor capability sessions as requested.
- DED/DBE will work with the Office of Procurement and/or directly with the targeted entities to plan and present at least 2-3 such events in FY16.

Business Assistance Programs: ***Buy Local Initiative***

- Targeted public-/private-sector entities are:

HOC*	Hughes Network Systems
MCPS*	IBM Corporation
MNCPPC*	Kaiser Permanente
Montgomery College*	Lockheed Martin
Adventist Healthcare	Marriott
DARCARS	MedImmune
Discovery	MedStar Montgomery Medical Center
FINRA	Johns Hopkins Medicine/Suburban
GEICO	Hospital
Holy Cross	Verizon Corporation
	Westat

* Currently list solicitations on the CVRS.

Gov-to-Biz Services:



- **Created in 2013 by legislation to assist small businesses working in and with Montgomery County.**
- **Key functions:**
 - Advise the County Executive, County Council and County departments and agencies on actions needed to help local, small businesses comply with County requirements and regulations.

Gov-to-Biz Services:
Small Business Navigator

- **Key functions, cont'd:**
 - Advise local, small businesses on how to comply with County regulations and requirement;
 - Promote communication between small businesses and County departments and agencies;
 - Maintain and relay helpful information for small businesses and track common issues of inquiry from the local small business community;

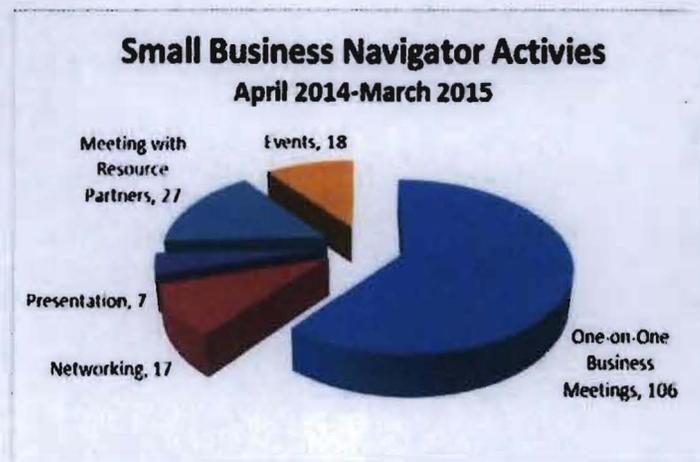


Gov-to-Biz Services: *Small Business Navigator*

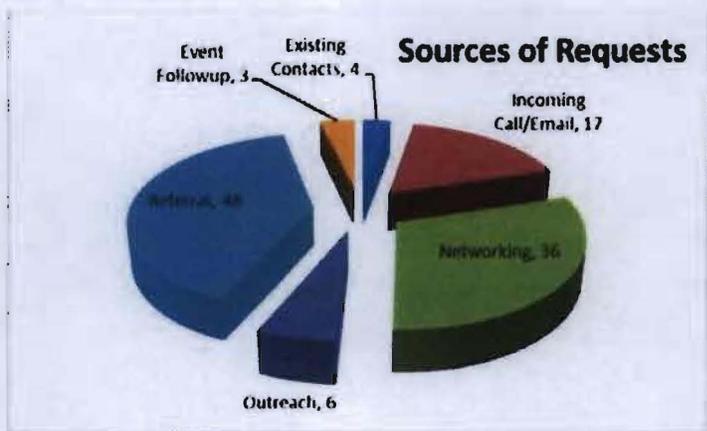
- Key functions (cont'd):
 - Collaborate with County agencies to streamline process of interaction by businesses with County agencies;
 - Identify regulatory roadblocks to local small business growth and make best use of internal government contacts and resources to resolve them.



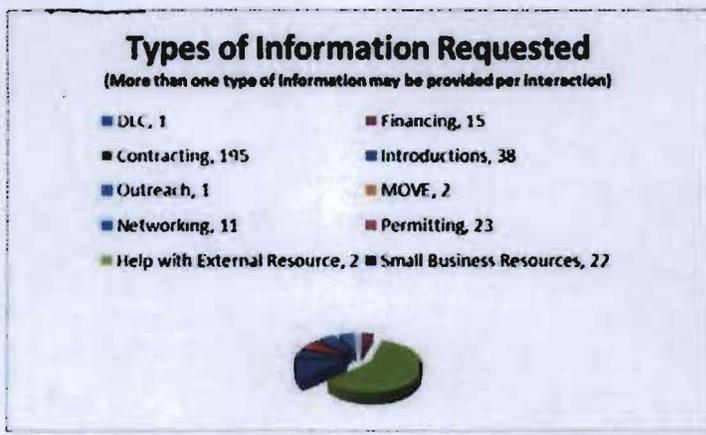
Summary of Small Business Navigator Activities



Summary of Small Business Navigator Activities



Summary of Small Business Navigator Activities



Gov-to-Biz Services:

Small Business Resource Seminars

- Monthly seminars conducted by DBE and SBDC staff geared towards prospective entrepreneurs and newly established businesses.
- Seminars currently held at the Wheaton Business Innovation Center, looking to expand to the UpCounty area in the near future.
- In addition to general info. on how to start a business, the LSBRP/MFD programs are promoted.
- Usually have @ 20-25 attendees each month.

Gov-to-Biz Services:

MD Small Business Development Center (SBDC)



- The MD SBDC provides one-stop assistance to support the success of local entrepreneurs and small businesses.
- DED, via the Division of Small and Minority Business Empowerment, secured the services of SBDC Corridor Region Business Consultant William Freeman, Jr., who conducts one-on-one meetings with local entrepreneurs and small businesses each Tuesday at DED offices.

Gov-to-Biz Services:

MD Small Business Development Center (SBDC)



- Assistance provided includes:
 - Start-up Assistance
 - Business Plan Development
 - Financial Analysis
 - 8(a)/SDB/MBE Certification Training
 - Federal & State Contracting Assistance
 - Loan Packaging
 - Strategic Planning
 - Business Valuation
 - Technology Commercialization
 - Import/Export Assistance

Gov-to-Biz Services:

International Trade Assistance

- Monthly, one-on-one international business counseling sessions focused on selling over seas, held in conjunction with the U. S. Department of Commerce and Maryland's Office of International Investment and Trade.
- Collaboration with the Montgomery County Chamber of Commerce, John Hopkins University, MD Dept. of Business & Economic Development, U. S. Department of Commerce, and the SBA for several international trade business events.



Gov-to-Biz Services: *International Trade Assistance*

- Examples of events include:
 - Doing Business in Africa
 - Doing Business in Brazil
 - Doing Business in Mexico
 - International Development Opportunities at USAID.



Gov-to-Biz Services: *Office Hours*

- DED staff meets with small businesses and startups at shared office spaces and other partner facilities throughout the County.



- 58 individual small and startup businesses participated in Office Hours in the first two months of the program.
- Participating companies range from pre-venture startups to established businesses looking for ways to expand.
- 50 percent of the participating businesses have been minority-owned and 40 percent woman-owned.
- DED provides information on financing, networking and government contracting and facilitates introductions to other resources and businesses in the County.

**Gov-to-Biz Services:
Office Hours**

"This personal service provided by the Montgomery County Department of Economic Development supports the development of local businesses. But, perhaps more importantly, this service supports the morale of local businesses and just knowing personal contacts are available to us as resources is very reassuring."

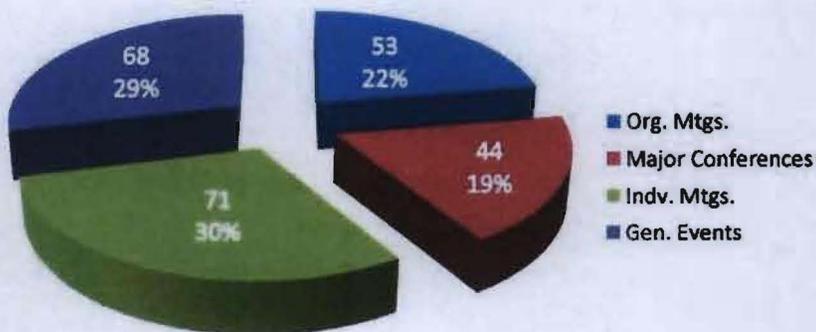
--Samad Saifudin, CEO; Gina Palladino, Chief of Business Development of SustainCreativity

**Outreach, Recognition & Promotion:
LSBRP/MFD Business Outreach Efforts**

- DED, primarily via the DBE, actively promotes and markets the County's Local Small Business Reserve Program (LSBRP) and Minority, Female & Disabled (MFD) procurement opportunity programs at conferences, one-on-one meetings, major tradeshows and other local and regional events.
- DBE staff explain and strongly encourage both local and non-local businesses to register via the Central Vendor Registration System (CVRS)/LSBRP to do business with Montgomery County.

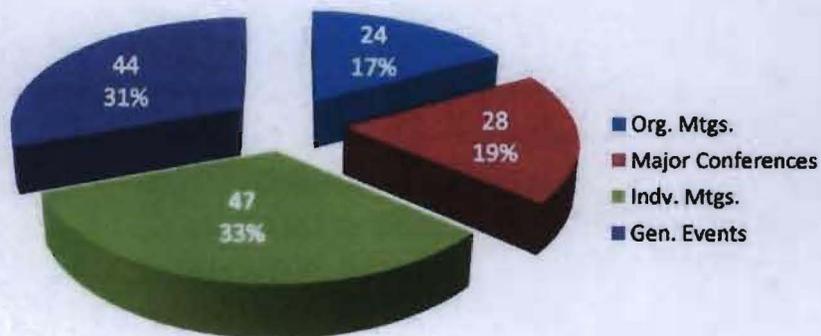
Outreach, Recognition & Promotion: *LSBRP/MFD Business Outreach Efforts*

FY14



Outreach, Recognition & Promotion: *LSBRP/MFD Business Outreach Efforts*

FY15 thru March 2015



LSBRP/MFD Business Outreach Efforts

- **Organizations met with include:**
 - African American Chamber of Commerce
 - Asian Pacific Chamber of Commerce
 - Bethesda Chevy Chase Chamber of Commerce
 - Gaithersburg/Germantown Chamber of Commerce
 - Greater Washington Hispanic Chamber of Commerce
 - Housing Opportunities Commission
 - Latino Economic Development Corporation
 - Maryland Women's Business Center

LSBRP/MFD Business Outreach Efforts

- **Organizations met with, cont'd:**
 - MD Dept. of Housing & Community Development
 - MD Washington Minority Companies Association
 - MD/Washington Minority Supplier Development Council
 - MD National Capital Park & Planning Commission
 - Minority Business Development Agency
 - Montgomery County Chamber of Commerce
 - People's Community Baptist Church Chamber of Commerce

LSBRP/MFD Business Outreach Efforts

- **Organizations met with, cont'd:**
 - Rockville Economic Development, Inc.
 - SCORE
 - U.S. Small Business Administration
 - Small Business Development Center
 - Washington Suburban Sanitary Commission
 - Wheaton Kensington Chamber of Commerce
 - Women's Executive Leadership Network

Outreach, Recognition & Promotion: *Conference/Event Sponsorships & Exhibits*

- **DED/DBE co-sponsors major tradeshow and conferences to promote the County's LSBRP/MFD programs and support the attraction of new businesses to the County. Events include:**
 - Capital Region Minority Supplier Development Council Procurement Conference
 - Governor's Office of Minority Affairs' University Procurement Conference
 - Maryland Hispanic Chamber of Commerce Conference
 - Montgomery County Chamber of Commerce Procurement Conference
 - The Power Conference

**Outreach, Recognition & Promotion:
*Annual DED/DBE Exhibits at Business Conferences***

- Asian American Business Summit & Expo
- Baltimore Washington Region Chamber of Commerce Procurement Fair
- Federal Government Procurement Conference
- Governor's Office of Minority Affairs
- Greater Washington Hispanic Association Conference
- Maryland Hispanic Business Conference
- Maryland Washington Minority Companies Association
- Minority Supplier Development Council
- Montgomery County Chamber GovCon Net Conference
- Power Conference for Women Businesses
- ProBiz Conference
- Women Presidents' Education Organization Conference

**Outreach, Recognition & Promotion:
*Conference/Event Co-Sponsorships***

- Co-sponsored seminars on MDOT Certification with the African American Chamber of Commerce.
- Regularly co-sponsor conferences/events with:
 - Capital Region Minority Supplier Development Council
 - Maryland Hispanic Business Association
 - Governor's Office of Minority Affairs
 - U.S. Small Business Administration
 - U.S. General Services Administration
 - Local Chambers of Commerce

**Outreach, Recognition & Promotion:
*Small Business Awards Luncheon***



- DED hosts the annual Small Business Awards Luncheon honoring the accomplishments and contributions of the local, small business community.

**Outreach, Recognition & Promotion:
*Small Business Awards Luncheon***

- 2015 marks the 3rd annual event.
- Attendance grew from 300+/- the first year to 400+ in 2014.
- 50% of award winners in 2013 were minority-owned firms and 40% were woman-owned.
- In 2014, almost 70% of winners were minority-owned businesses and more than 30% were woman-owned.

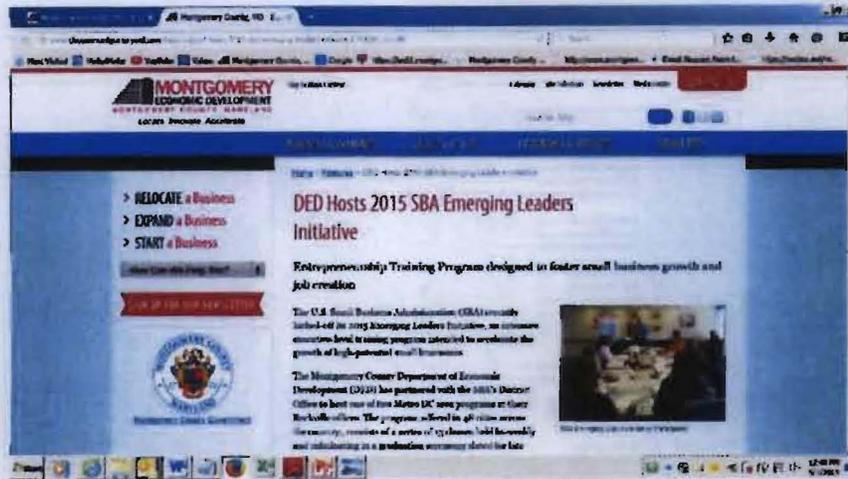
Outreach, Recognition & Promotion: *DED eBiz, eCalendar & Social Media*

- DED/DBE employs many methods of outreach and engagement with the local small and minority business community.
- These include the ongoing production of a weekly e-newsletter and/or e-alerts highlighting the many initiatives, programs and services of the Department that is emailed to a list of @ 12,000, mostly local businesses.
- This also includes the management of the Department's highly-successful interactive e-calendar launched a few years ago that includes DED, County and partner events, seminars and conferences in and around the region.

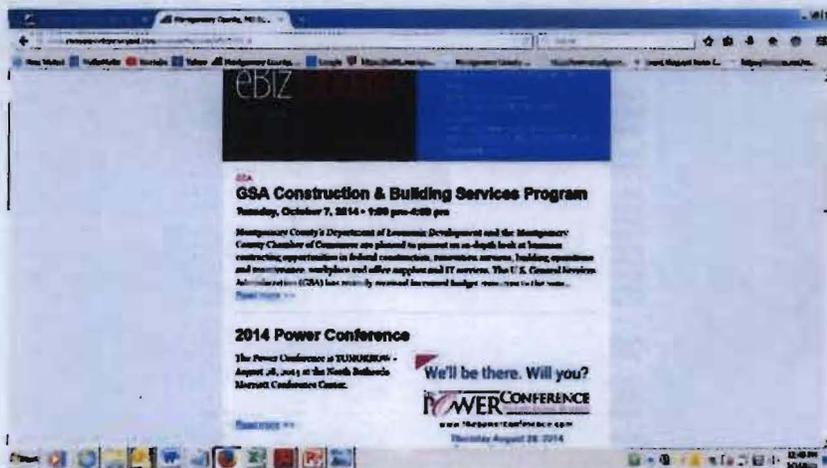
Outreach, Recognition & Promotion: *DED eBiz e-newsletter & e-alerts*



Outreach, Recognition & Promotion: *DED eBiz e-newsletter & e-alerts*



Outreach, Recognition & Promotion: *DED eBiz e-newsletter & e-alerts*



Outreach, Recognition & Promotion: *DED eBiz e-newsletter & e-alerts*



Outreach, Recognition & Promotion: *DED eBiz e-newsletter & e-alerts*

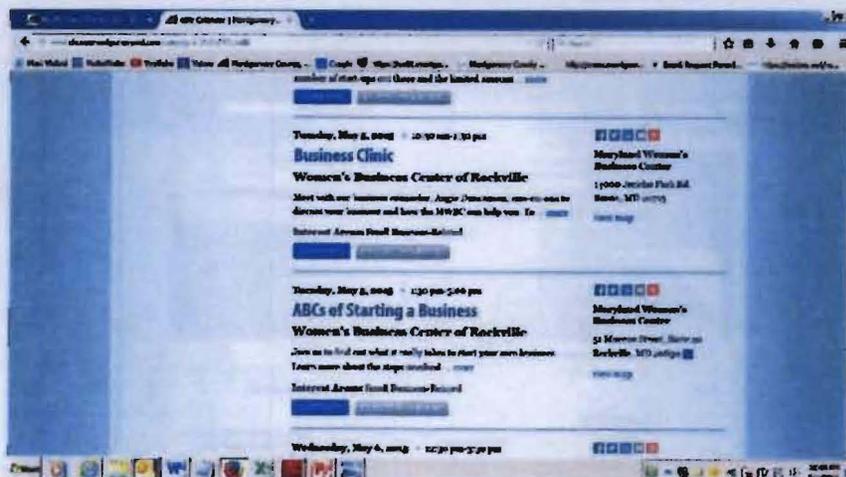


Outreach, Recognition & Promotion: *DED eCalendar*

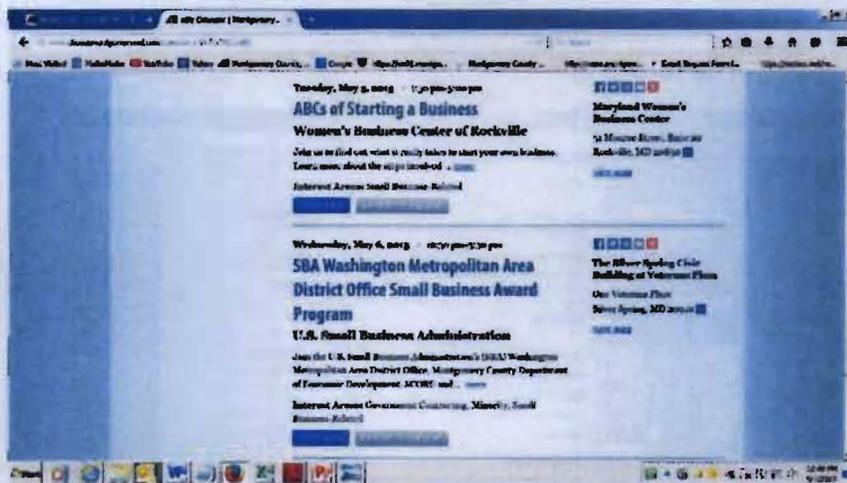
- DED's partner-populated, online calendar has been very effective in spreading the word about Department, County and partner events to support the business community.



Outreach, Recognition & Promotion: *DED eCalendar*



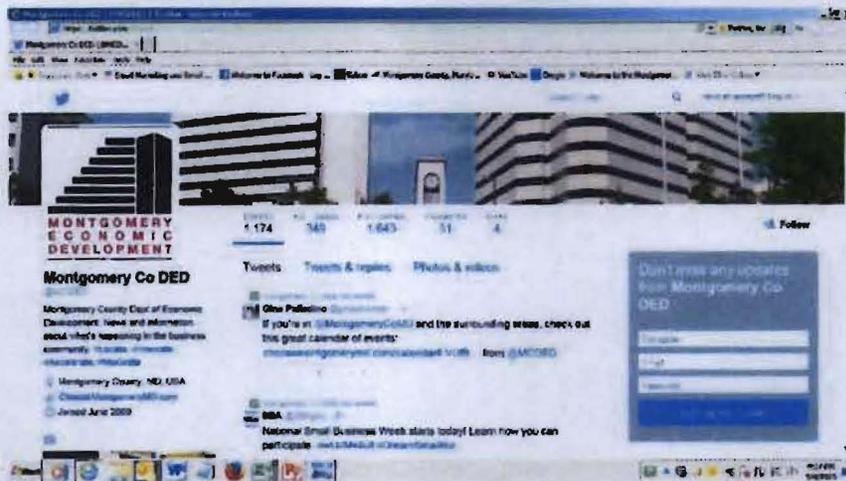
Outreach, Recognition & Promotion: *DED eCalendar*



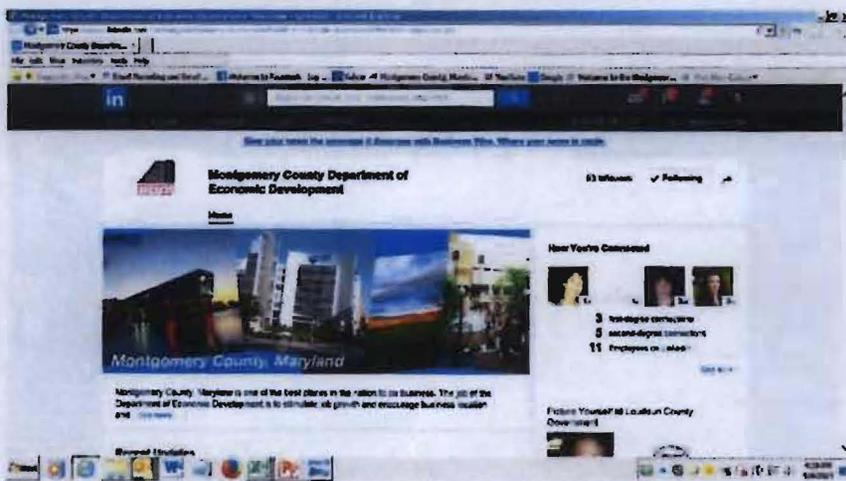
Outreach, Recognition & Promotion: *Social Media - facebook*



Outreach, Recognition & Promotion: *Social Media – Twitter (1,643 followers)*



Outreach, Recognition & Promotion: *Social Media - LinkedIn*



Appendix V



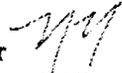
MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

NANCY NAVARRO
COUNCILMEMBER, DISTRICT 4
CHAIR, GOVERNMENT OPERATIONS & FISCAL POLICY COMMITTEE

MEMORANDUM

September 26, 2014

TO: Councilmembers

FROM: Nancy Navarro, Chair 
Government Operations & Fiscal Policy Committee

SUBJECT: Procurement Process & Disparity Study

On Monday, the Government Operations & Fiscal Policy Committee will discuss three items related to the County's procurement process. We will receive a briefing from the Office of Legislative Oversight (OLO) regarding a survey of businesses, hear from Griffin & Strong, P.C. and the County Attorney regarding the 2014 Disparity Study, and review legislation proposed by the County Executive to extend the sunset date of the Minority, Female, and Disabled-owned business program (MFD).

The overall theme of the OLO survey and Disparity Study is that the current procurement process is not working for businesses. In general, businesses feel the procurement process in Montgomery County is difficult to navigate, confusing, and lacks clear communication between the County and prospective bidders. In particular, minority, female, and disabled owned businesses are not bidding on contracts, in part, because they are not familiar with procurement opportunities with the County.

OLO offers three recommendations based on the survey findings:

1. Ask the County Executive to strengthen and expand current outreach efforts—particularly to Local Small Business Reserve Program (LSBRP) and MFD businesses—to increase businesses' awareness of County contracting opportunities.
2. Ask the County Executive to develop a consistent set of follow-up procures for all bid submissions for County contracts to inform businesses about the status of their bid.

3. Ask the County Executive to closely examine the promotion and administration of the Minority, Female, and Disabled-Owned Program.

Based on the 2014 Disparity Study, the County Executive is recommending Expedited Bill 42-14. This legislation would extend the sunset of the current MFD program until December 31, 2019 and require the County Executive to submit a new disparity study to the Council by July 1, 2019.

While I agree that the Council should extend the current MFD program temporarily so it does not expire at the end of the year, I strongly oppose simply maintaining the status quo. Montgomery County has had an MFD program for more than three decades, yet the 2014 Disparity Study found “statistically significant underutilization of some MFD groups in each procurement category that can be attributed to discrimination in the marketplace.”¹

In light of the OLO survey and 2014 Disparity Study, I propose establishing two Task Forces by Council Resolution.

First, the Procurement Reform Task Force would be comprised of business owners, procurement experts, and County officials. The objectives of the Task Force would be to:

- Review and evaluate current procurement practices, office structure, and funding; offer recommendations to increase outreach, streamlining and improved processes;
- Review national industry standards and best practices for procurement; offer recommendations to align County practices with best practices.

Second, the MFD Program Task Force would be comprised of minority, women, and disabled-owned business owners and County officials, such as representatives from the Department of General Services and the Office of the County Attorney. The objective of this Task Force would be to:

- Review and evaluate the current MFD program; offer recommendations for improvement;

Both task forces would work in parallel tracks during a similar time period. After they complete their work, Council Staff will integrate the reports into a single set of recommendations for the GO Committee to consider in a comprehensive way.

On Monday, I propose the GO Committee recommends the appointment of these task forces to the full Council. In addition, I support approving Expedited Bill 42-14, but amending it to sunset the MFD program after one year—on December 31, 2015. This will provide the task forces with a full year to offer recommendations to the Council that will enhance the current MFD program and improve the procurement process more generally.

¹http://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2014/140929/2014_0929_G03.pdf

Appendix VI

Minority Owned and Local Small Business Task Force Preliminary Recommendations Survey Responses, 243 Responses

This survey was distributed to regional vendors active in the Montgomery County Inter-Agency Central Vendor Registration System. A total of 9,518 contacts received the survey through this database. A total of 3,060 users opened the email message. There were a total of 395 unique clicks on the survey link. A total of 243 respondents completed the survey.

Recommendations to Improve the Minority, Female, and Disabled-Owned Businesses (MFD) Program

Recommendation #1: Establish a 35% goal for MFD subcontracting

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	128	82.1%
No	28	17.9%
Unanswered	87	

*The Final report uses the word mandate, not goal.

Comments:

1. That goal is too high and will result in unqualified firms getting work just to meet an arbitrary goal.
2. The MFD community is not large enough to support this task.
3. Please provide the metrics as to how the 35% number was determined. What is the cost impact to the County for this increase in % contracting?
4. Because I Don't Agree.
5. 35% is sufficient... Why the need to "remedy past discrimination"?
6. In my industry there are not enough qualified MFD vendors to provide the goods needed :no MFD tire vendor and 40% on my parts budget is tires, no transmission vendor and we spend \$300,000 on transmissions, no uniform company, no trash company, no seat re
7. How can you set a goal to contract with a certain % of minority businesses? Either they participate or they don't. Will you hold back contracts from other vendors because they don't meet a certain minority criteria?
8. I often see MFD subcontracting to other agencies. Not sure the solution.
9. I think the focus should be on helping these kinds of businesses have the best bids, not on awarding them bids based on a non-merit system
10. All small businesses should be able to apply for RFPs.
11. Subcontracting is not the way to go- Do a contract and bias it towards minority vendors. They can assume responsibility for the entire thing and earn additional money without joining at the hip with another vendor.
12. Minorities should be given help but not be joined at the hip with non-minority companies. They can be given preference by adding % to the non-minority bids. Help in the way of free classes or assistance with business.
13. Give it to the business best able to handle it

14. The underutilization of minority owned firms is not due to discrimination. Assuming every problem is the result of discrimination does not help small and minority owned businesses and it hurts those who truly are the subject of unlawful discrimination
15. Increasing the goal will not assure compliance; needs to address the root cause, and be consistent with county demographics and qualified/competent service providers.
16. Can't just make up an arbitrary number.
17. This move penalizes other small businesses. The goal should be to ensure a level playing field, not penalize other small businesses and force them out of operating in Montgomery County.
18. This will merely create more front companies doing the bidding for larger companies. It won't actually create real opportunity for minority firms.
19. As a Montgomery County Based Business that is an nationally award winning Tech Small Biz firm we find the counties focus on MFDs disturbing as we are extremely disadvantaged and challenged to win direct business with our very own county we pay taxes too
20. Contracts should go to the best contractor regardless of whether or not they are MFD.
21. Let's hire the best qualified company for the job, regardless of minority status!

Recommendation #2: Continue to set annual goals for minority group participation.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	142	91.0%
No	14	9.0%
Unanswered	87	

Comments:

1. The study's sampling, response rate are too small to make determination at the level of minority group/service cat. Single year disparity index is also too narrow for services procured with a longer time-span.
2. Same as question 1 above...How can you set a goal to contract with a certain % of minority businesses? Either they participate or they don't. Will you hold back contracts from other vendors because they don't meet a certain minority criteria?
3. It has failed to accomplish the desired outcome of more minority participation
4. Again, every small business that is qualified should be able to answer the RFP.
5. Minorities can be given help and preference without involving non-minority companies.
6. The way to involve minorities would be to set up a business assistance bureau that can address needs of those businesses. Target minority businesses and get their participation.
7. How can you set arbitrary "goals" to hire certain types of companies? What if none of them will do the best job?

Recommendation #3: Bring accountability to the MFD subcontractor participation requirement.

- a) **Require MFD subcontracting plan submission sooner in the procurement process.**
- b) **Require prime contractors to submit written documentation on outreach efforts.**
- c) **Enforce stringent criteria for waivers and improve transparency for approvals or denials.**

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	140	94.6%
No	8	5.4%
Unanswered	95	

Comments:

1. Follow CBE procedures established for small minority businesses in DC. More effective. Otherwise all you get are more reports
2. Placing the burden on the Prime Contracting community to gain this level of upfront documentation with most if not all of the construction trade MBE firms is problematic at best. Many of these firms do not have the staff or to respond to these requests.
3. The County should pick the best qualified and best pricing firm before negotiating "good effort" MFD plans. Discontinue waivers all together... MFP plans are only good faith efforts.
4. How can you set a goal to contract with a certain % of minority businesses? Either they participate or they don't. Will you hold back contracts from other vendors because they don't meet a certain minority criteria?
5. I would add that any waiver decision that it's approve to also make it a public record and to be reevaluated after the fact by a controller party to double check due diligence on both sides, the petitioner and the approver. Reason been that when you open an exception, you also open a door for corruption. Big penalties should be establish so participants in the process will be afraid to even try to manipulate the system.
6. If you are going to insist on quota-based minority hiring, then it does make sense to get greater accountability.

Recommendation #5: Strengthen MFD program compliance and monitoring.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	131	87.9%
No	18	12.1%
Unanswered	94	

Comments:

1. Again go online and follow the CBE plan now established in DC which actually does work
2. Current staff productivity should be maximized before adding additional staff.
3. I'm a SDVOSB the CVE already monitors me.
4. We don't need more gov't bureaucracy. Make rules that work for the contracting community. They will follow them if they are clear.
5. Sounds like creating more jobs for the already over staffed local government agencies. More duplication of unneeded paper work

6. How can you set a goal to contract with a certain % of minority businesses? Either they participate or they don't. Will you hold back contracts from other vendors because they don't meet a certain minority criteria?
7. Monitoring goals and achievement of results can be effectively improved by penalties set for failure and disbarment of future participation in County business opportunities. Use Rec# 3 transparency and public input to monitor the process. Minimize County
8. Does not address the "no teeth" issue for compliance
9. Increasing the size of an already bloated Government doesn't solve the real issue. It merely adds more bloat to an already too big bureaucracy. Build in clear, concise report formats to contracts and proposals, and use automation to parse the data.
10. Too much regulation and burden will hurt everyone
11. More staff = more taxpayers' dollars.
12. If vendors report MFD contracting dollars to their County Program Manager with invoicing, there shouldn't be a need to hire more bureaucrats to 'monitor.' The program manager will be able to report whether vendors are complying with subcontracting goals.

Recommendation #6: Institute a prompt payment clause for subcontractors.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	141	94.0%
No	9	6.0%
Unanswered	93	

Comments:

1. Prompt payment requirements to a subcontractor often hinge on the prompt payment to the Prime by the County. In many cases, the County does not hold itself to paying timely. This could cause financial hardship to the Prime.
2. This will not work unless there are penalties. These GCs do not easily scare
3. Prime's can only pay the subs if paid by the owner.
4. All subcontractors should have to adhere to prime contract payment rules, i.e. Net 30. Payment preference should be to the Small Business Community, not necessarily a MFD company.
5. Only if the County provides the same prompt payment.
6. Burdensome reporting requirements have negative impacts on the program. Complaint-based oversight should be sufficient. There also should be allowances for primes that are not paid promptly by the County.
7. Payments reported does not prove payments were made directly to subcontractors; have subcontractor self-certify on monthly bills previous month payments were received by prime on subsequent invoices

Recommendation #7: Increase number of firms obtaining certification and streamline the County’s MFD certification process.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	133	91.1%
No	13	8.9%
Unanswered	97	

Comments:

1. In your certification office for schools they drag their feet needlessly without any repercussions. Can't you just use the Maryland MDOT cert at no cost to this county?
2. There are a number of certified firms that are either not qualified to do the work they are certified for or that should not really be certified because they are not truly a minority firm. The certification process needs to be fixed first.
3. Haven't found the certification process to be costly
4. Haven't found the process to be costly
5. Certification by MDOT should be enough for all MD counties. Duplication is all the MFD do
6. The six certification companies are fine... The MDOT certification process is time consuming but necessary. The County should expand to accept other MFD certifications.
7. As stated above, some of the certifications are costly therefore a number of MFD companies may not have the resources to obtain such certifications.
8. Why do businesses have to certify to be a minority? There shouldn't be any special treatments from one business to the next based on minority, female, or otherwise
9. There is no cost to certify with the State of Maryland. Explore the possibility of bringing assistance and panel reviews to various locations in the County to address the inconvenience of traveling to Hanover.

Recommendation #8: Create a Standard Operating Procedure manual for the MFD program.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	138	94.5%
No	8	5.5%
Unanswered	97	

Comments:

1. No. No one reads them. COMAR already has rules for this no one pays any attention to. Need penalties again
2. More paperwork for what?
3. Do not agree with having an MFD standard.
4. Too hard to standardize (except for limited type firms). This will hurt the smaller outliers.

5. This is only useful if the SOP manual is brief and concise, not bogged down with jargon and legalese.

Recommendation #9: Require minimum number of bids from minority firms.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	103	72.0%
No	40	28.0%
Unanswered	100	

Comments:

1. Setting minimums may further complicate the MFD and bidding process and make it more restrictive, costly, timely and confusing for an MFD to bid.
2. Good idea but some jobs should be entirely a set aside so the big boys can't control the outcome. Most Minorities can self-perform their work without a GC.
3. I don't see how the County can enforce this recommendation.
4. I believe requiring minimum bids is onerous. We should consider it as a goal, but not a requirement.
5. The firms must be qualified. Simply requiring a minimum number of bids could lead to unqualified firms bidding and getting the work. Qualifications based selection must take priority over using minority firms.
6. It's challenging enough to comply with the standard MFD
7. Sometimes it is difficult to get firms to bid.
8. This may not be feasible for all types of projects.
9. Many trades do not have enough MBE's that are capable of bidding as qualified. The County must have qualified approved contractors not just mandated minimum bids.
10. Setting a minimum bids will force MFD's to bid on contracts they may not be qualified for just me meet the set numbers of bids. this may set a path for penalty if not met
11. Because I think one (1) bid should be enough. Bidding costs money, and if you don't win, you spent a lot of money for nothing.
12. Contradicts the first statement of 35%.
13. On some projects there may not be enough qualified MFD firms to allow it.
14. The County should only employ the best qualified - lowest priced firms. Just need to improve documentation / auditing process to ensure MFD plans are being adhered to.
15. Its company's responsibility to go out and look for bids and respond.
16. There are insufficient vendors to compete and provide bids for many of the products and services under in automotive repair.
17. Not all commodities have more than one minority firm located in the County. By implementing this requirement, the County will find itself unable to make an award based upon its own recommendations.
18. So others should suffer because you don't meet a minimum of minority?
19. Just because you will require a minimum number of bids does not guarantee that these firms are qualified to actually do perform the work.

20. With this rule, if there is not enough participation, it punishes those that submit timely proposals. Non-minority business will be held hostage by this ruling.
21. There is no way to guarantee a minimum number of bids from minority-owned firms. You can't force companies to respond to opportunities.
22. Quotas are not fair and they discourage selection based on merit.
23. What happens when minimum number of bids are not met? Cancel and re-bid? It is not fair for the firms that bid the first time.
24. There might not be enough qualified firms to bid on some projects.
25. If we require a minimum number of bids in areas where there are not MFD available we will be punishing the ones that are bidding.
26. How would this work? If minority firms are not bidding on work today, how is instituting a minimum number requirement going to solve this?
27. Too cumbersome -- allow purchasing agents to do their job.
28. It amounts to discrimination against other groups.
29. Again, how can you **require** a minimum number of minority bids? What if there are not enough qualified minority companies for a particular job?
30. Rather than require a minimum number of bids, the County should have more set-asides for MFD businesses. This rule should also apply to open IDQs/BPAs where some task orders are set aside.
31. This works against qualified MFD firms.
32. This recommendation should not end in five years but should be a permanent policy. Past experience indicates that previous prime contracting behavior is not likely to change without legislation.

Are there any specific changes to the MFD program that the Task Force hasn't captured that you would recommend?

1. The county should hold annual MFD conference with representatives from county departments regarding upcoming opportunities and projects underway.
2. Prompt payment of accepted invoices to all vendors, especially MFD vendors should be considered and incorporated into these changes. MFD companies struggle as-is, as well as Primes who utilize MFD subcontractors. By not receiving timely payment from the source, namely the County, puts the Prime and subcontractor at significant financial disadvantage.
3. 1) Should use MDOT certification and then this kingdom won't be as powerful and the County will save money. 2) Should have a minority liaison each job in case of payment issues and this person should be mentioned in the spec book. 3) In case of a lawsuit for non-payment- the party that loses will pay the other parties legal fees with interest 4) should be monthly reporting to your agency for all payments under subcontracts for minority companies filled out by that small company. 5) follow CBE in DC Process
4. I think that these are all excellent items. As a MFD company who would like to continue to provide services for Montgomery County, I feel these are all beneficial.
 - 1) MC-DGS should publish more Requests for Information prior to publishing RFPs. This would allow for a market survey to determine if an MFD entity can perform

the work. 2) Responses/contracts should not take 6-8 months. Even small contracts (< 100,000) take very long. 3) MC-DGS does NOT inform all responders when an award has been made. They explicitly state to go the MC Procurement website for status. This seems deceptive.

5. The program needs to focus on getting qualified minority firms that are truly minority firms, not just getting more minority firms. If the process is not fixed, the program is meaningless because it does not help the real minority firms that deserve to be getting the work.
6. Pay attention to Women Owned Small Business.
7. Make the process simple and easy for small firms to qualify and participate.
8. If possible, the MFD office should write an official letter informing any MFD enterprise named on a contract proposal that was the low bid and has been provisionally approved for award, that barring any unforeseen changes, they should receive a sub contract or purchase order.
9. There needs to be a qualification process established that sets or defines size and complexity of projects that MFD are allowed to engage in. It creates issues when the prime uses a MFD number and then finds out after the award that the MFD is unqualified to perform.
10. Clarity in the definitions of what is a minority business and what percentage of ownership is necessary to be a minority business.
11. I appreciate the Task Force taking the time to thoroughly evaluate the current program and make these recommendations. I am particular excited about the 50% set aside, holding the prime contractors accountable early in the procurement process, the Mentor-Protégé program and transparency. I've been a part of the LSBRP program for years and have not gotten a single contract. I want to grow my business to be able to hire more but it is difficult getting through. Thank you for your work!
12. Provide assistance for the MFD to become Prime Contractors and/or provide MFD Prime Contractors with an automatic waiver of the 35% MFD requirement.
13. Should consider Asian American as well. Asian American population ratio in the Montgomery County is very close to other two groups in your recommendation. Thank you for your consideration.
14. More local reserved MFD set-a-side contracts. I see lots of contracts awarded to out of state companies. Ensure strict oversight on out of state companies using virtual offices to qualify for the local reserved contracts. Using a point scale during evaluation might also force companies to include MFD in their bids.
15. Should include a MFD Policy and Standard Operating Procedure Manual, not just operating procedures alone. There should be a policy for every operating procedure. The policy is the control objective for what is wanted to be achieved and the operating procedure is the control techniques used to satisfy the control objective (policy).
16. Enforcement is where many of these programs fail. Large Majority contractors must be held responsible for utilizing MFD firms. MFD firms should be encouraged to be Prime contractors as well, not just sub-contractors. The County should enforce minority

participation even with private developers, especially if state or local funding is providing.

17. MFD programs or majority-owned minority companies isn't a true measure of diversity. How come a company's workforce isn't also a measure of minority employment or employment of local talent?
18. The approval should be at the County level not MD DOT I have female owned companies that have NOT been certified for obscure reasons: they can't physically do the body repairs! MFD Vendors progress and growth should be followed to assure they are expanding beyond customers using them to meet the County goal. The plan should include some training help for MFD vendors in finance and bidding as well as hiring, keeping, and recruiting employees. Perhaps grouping vendors to assist with Group health insurance requirements and needs for employees. An annual survey from MFD vendor customers to see areas of excellence as well as areas to improve service; then create programs to provide seminars for training to upgrade the service provided. Encourage continued upgrading of the MFD vendor service level through grants for business seminars and management training for all business related events.
19. Require more stringent vetting process for firms applying for LSBE and minority vendor status. We have had several situations where we lost awards to much larger national companies because they used their local sales representative's home address (in Montgomery County) as their "office location."
20. There should be a "Delta" for doing business with an MFD that is located within the County itself.....not only within the State of Maryland. Let's face it, the operating costs of having a business within Montgomery County is significantly higher than other counties within the State of Maryland. The Regenerating of taxes of employees and the business itself being recirculating provides additional tax revenue that otherwise may be lost. Also.....some companies may just have a desk office within the county and not own/possess the needed equipment to produce the scope of the work. For instance, the awarding of a contract to a bidder that does not have the equipment to produce the work and thus sends it to a subcontractor that could even be out of state. No contract should be rewarded to a company that doesn't have the necessary equipment and before the contract is awarded, there should be a site inspection. Otherwise, it's just a joke.
21. We waited for YEARS for someone to intervene on our behalf as the "good ole boy" system needed to be addressed. We had to leave the county to find outer work. Now we cannot participate since we are not located any longer in Montgomery County. Sad to say...a little too late coming. I wish you would extend this to the surrounding counties.
22. Why is there an MFD standard in the first place? Business is business. What sets some businesses apart from the others as far as getting contracts?
23. This appears to be a more aggressive program and Montgomery County's efforts are much appreciated.
24. These changes are being put into place because the people responsible to ensure the current guidelines are in place are not doing the jobs they hold. Instead of changing things to suit those not performing their respected positions, why not put into place people that will?

25. Are there set asides for Woman Owned businesses, Veterans Owned Small Business? And with the new recommendations with the set - asides for these organizations be increased as well?
26. A summary of why minority-owned firms do not get certified, why they don't upload their certifications to the vendor registration system and why they don't respond to solicitations would be helpful.
27. The vetting process for qualifying competent service providers needs to be defined, incorporated into the SOP manual, and made public for transparency purposes
28. Permit certification need to revise to specialty services which will keep the playing field level and the pricing will not be higher because you have to hire a high level contractor to pull your permit. In Virginia and other counties you can take a test to obtain a certification to pull a permit for examples low voltage, telecommunication, structured cabling, etc...
29. Pulling permits in the county under your specialty... example telecommunication or low voltage.
30. Certain industries such as Security Guard Services have been awarded to a single Prime contractor (who in turn has utilized only one subcontractor) and their award includes service to every public facility within Montgomery County. As a minority firm, I am glad to see one subcontractor benefit from such a large contract. However, if we eliminated the usage of just one Prime and instead awarded this contract to two or three Primes that provide security guard services it would provide opportunities for two or three subcontractors (MFD firms). Minorities and other vendors would reap greater benefits. Legally, I am uncertain of legal restrictions that might prohibit priority being given to MFD firms that reside or are headquartered (pay taxes) within Montgomery County, MD. If possible, MFD firms/owners that reside within the county should be given priority since their income benefits the local community. Budget cuts dictate that the County should consider MFD firms that have a positive impact on our local community (real estate taxes, providing jobs for local residents, less commuting etc.).
31. Implement a bid price differential / preference for MFD prime contractor vs Non MFD contractors.
32. The MFD program needs a quarterly report on number of contracts and amount of contract dollars.
33. Bidding resources needed to help minority companies to prepare proposals based on RFPs requirements.
34. Identify service disabled veterans as one of the minority/protected classes. They have earned it, and not just born into it. Show a little patriotism and compassion.
35. Ensure that MFD contractors are fully qualified to perform the work. There should never be a project where work is substandard because the work was awarded to a less qualified contractor in order to meet an MFD quota/percentage.
36. Cut down and drastically reduce the burden imposed by too much procedural paperwork required throughout the Procurement life cycle. Eliminate bureaucracy! Consider limiting the contractual/procurement requirements, insurance requirements, clauses and conditions that make it extremely costly and burdensome to respond and/or participate in

formal procurements for small businesses. We're barely making it as it is, let alone trying to get business from the County!

37. Develop and adopt a 'transparency in procurement protocol' that includes the promotion, outreach and publishing of acquisition goals, achievements, challenges, and opportunities. Insist that MCC employees at all levels adhere to the protocol and the guiding principles of transparency.
38. More contracts should be set-aside for MFD businesses to bid on. The County should provide better business forecasts to help MFD businesses plan.

Recommendations to Improve the Local Small Business Reserve Program (LSBRP)

Recommendation #10: Require headquarters be based in Montgomery County.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	88	73.9%
No	31	26.1%
Unanswered	124	

Comments:

1. I agree with the requirement for HQ to be in the County. However, with the use of virtualization, a lot of work may be done FOR other jurisdictions by companies headquartered with employees in Montgomery County. In this case, taxes may be paid out of county.
2. The other counties will counter but this should only be for Maryland based businesses
3. Too restrictive
4. I believe that businesses outside of Montgomery County should be permitted to bid accordingly as long as the business is registered to do business in the State of Maryland.
5. That is not fare for the business that is out of state.
6. I believe that firms who are MDOT DBE certified should have the opportunity to participate without the requirement of being Montgomery County based.
7. Business should be open to all of Maryland, not just the extremely expensive locations in Montgomery County.
8. Does this suggest that a company cannot be incorporated outside of Maryland?
9. Locations should include all counties that have common borders with Montgomery County.
10. We work in the county, but no longer could have or offices there.
11. It requires small minority businesses to base nearly all of their growth in one county. Many of us need to be able to work for several counties in order to earn enough money to stay in business.
12. I think the County should get the best business for the job. If they are headquartered in a neighboring county, that shouldn't count against them.
13. Only if all MD counties have the same requirement.

14. This hurts businesses already established in other counties that cannot afford to relocate their business or open up additional locations. This only benefits those currently in Montgomery county or new businesses opening in the County.
15. What do you mean "50% of income taxes must be paid to Montgomery County"
16. Badly limits best choices (taxpayers expect better).
17. Suggested requirements will reduce competition.

Recommendation #11: Establish a 50% set-aside for MFD small businesses in the LSBRP.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	81	70.4%
No	34	29.6%
Unanswered	128	

Comments:

1. No special attention should be given to a particular minority group. Minorities should be given equal opportunity upon qualification to the MFD program.
2. Should be based on revenue not race. Any small company with short revenues should be able to participate. Some minority companies are in fact quite large and wealthy. Is this what you want?
3. Too high
4. Your construction projects will be completed behind schedule and have inferior defects. Think Silver Spring Bus depot.....
5. While we are a professional service small business that is woman-owned, we have not pursued certification after one meeting with MDOT where the review panel was insulting, demeaning. We would be precluded from 50% of the contracts - too high a %
6. There may not be enough available talent to meet these larger set asides
7. Percentage is too high and probably not enough experienced Minority Firms to fill the 50%. Recommend increasing to 35%.
8. Why is the county treating the Black Minority different than the other minorities? Our population is too diverse for this sort of racism. MBE should be all MBE not preferring one over the other.
9. Disparity has more to do with laziness
10. 50% set-aside seems excessive. The monies spent should be fair and balanced. Does increasing MFD standards improve quality of work and better pricing?
11. Not sure that this is reasonable. Is there enough MFD firms that can meet this recommendation?
12. All minority groups should be lumped under one category.
13. I am not certain that it is good to tie both programs so strongly. The MFD should be able to support large contracts which could result in reciprocity barriers by other jurisdictions
14. This recommendation will discriminate against small white family owned businesses that have been located in this county and paid taxes here for many years.
15. Again, no need for a special program. Not fair to those who are not a minority business.

16. You could end up paying more to MFD firms and putting existing businesses out of business.
17. In the LSBRP the set aside should also be 50%. Why should the MFD receive 50% and the LSBRP only receive 20%. It should be equal.
18. This takes away from the best and most cost effective and bases everything on minority classifications.
19. Some services and goods will be not provided by minorities and the county not served
20. Experience, merit and skills matter. We should not and legally cannot be giving benefits based on race.
21. To maintain competitiveness, do not subsidize local MC companies that are not competitive!
22. We want to give MFD firms a break, but we don't to be unfair to non-MFD companies.
23. This penalizes "regular" small businesses. The goal should be to create a level playing field, not penalize non-MFD firms.
24. What about Service-Disabled Veteran-Owned Businesses (SDVOB) they've earned it!!!
25. The percentages should be more aligned with the percentages of actual MFD businesses in the County.
26. 50% is a very high percentage, especially when the pool is already limited.
27. See previous comments on MFD.
28. The LSBRP offers rather limited business opportunities for small businesses. Restricting it more will hurt other small local businesses and weaken competitive bidding within this group.
29. MFD reserve sub-contractors would appreciate feed-back on opportunities and changes for Montgomery County resident businesses especially in the financial, auditing, and management consulting professions. These opportunities can be life changing. In the past, the above mentioned opportunities may not have been always a part of the MFD procurement process.

Are there any specific changes to the LSBRP program that the Task Force hasn't captured that you would recommend?

1. I would recommend that LSBRP qualification be determined at the time of bid submission rather than prior to award. Many solicitations have been modified after bid closing when the County determines that someone else can provide a service cheaper - even if one or more LSBRP firms are bidding and the bidding was restricted to LSBRP firms only.
2. Base this on revenue for that business. Any minority company doing over 7 million a year in business is doing ok and does not need the help/.
3. Too many of the RFPs are written so that an LSBRP entity cannot fully complete the task unless they sub with a large business.
4. Yes - eliminate favoritism - the same firms win awards over and over, and while they may be minorities, the other firms are always precluded by various means - not having experience with the particular agency being the primary one. Bar all firms, including

minority firms from awards, if they have received 2 awards in a 3 year period. If other firms a chance!

5. There should be one agency Certifying Maryland firms. You are a LSBRP in you live in the county and your Gross sales qualify you.
6. The LSBRP program should be a stepping stone for companies to graduate from with the support of the company. Not just a set-aside program where companies compete in a smaller pool for County business.
7. Do a site inspection prior to the awarding of a contract to confirm all the above.
8. Make participation easier. We have been in business in Montgomery County for 18 years. It seems daunting and like a lot of work to get set up as a LSBRP or MFD.
9. This takes away from the best and most cost effective and bases everything on minority classifications. We would be bidding on jobs we would have almost zero opportunity to obtain unless we held one of these classifications even if we are the best and most cost effective for the job.
10. Be more responsive. When questions are presented, the contacts have not replied at all, when they sent the solicitation themselves.
11. If you want to build businesses in MC, free business classes and scholarships to students of business.
12. I strongly suggest that the recommendations demanding that businesses either live or hire within the county in itself is a discriminatory practice. There aren't any other jurisdictions that operate in that manner.
13. The recommendations of this report of skewed toward minority-owned firms and somewhat short-sighted. There are many aspects of the LSBRP that could be improved. Suggestions included by the task force simply divide a small pie into smaller pieces. The objective should be to increase the size of the pie. Examine exemptions to the LSBRP program and how exempt solicitations are justified. How much effort is put into identifying qualified local small businesses -- more staff resources are also needed here? How often do buying departments try to get around LSBRP targets by writing solicitations that favor preselected firms, often from outside the County? There is also a huge area of opportunity in looking at direct purchases that are not carefully monitored or tracked for LSBRP utilization. Setting aside 50% of LSBRP solicitations for MFD firms would be much more effective if a larger percentage of ALL county spending was set aside for the LSBRP.
14. Also increase bids from minority women owned businesses in outlining counties such as Anne Arundel! The InterCounty Connector connects the two counties together. Why not there certifications be honored as well.
15. Make sure competitiveness is NOT based SOLELY on price - it must incorporate VALUE!
16. Again, the County should review current and future contracts to determine if they can be restructured or divided to allow for a greater number of Primes/LSBRP participants. The County should also consider awarding certain contracts to LSBRP firms as the Prime if possible. Financial institutions that support LSBRP Primes/MFD firms should be provided an incentive to do so.

17. An annual awards program to highlight success.
 18. There is no consideration of business types. Product and Equipment Manufacturers within the County should be highly valued, preferred in the procurement process. Perhaps some match-making programs should be in place to identify what the County is using that is already produced within the County.
 19. The County should be focused on best value for the Tax paying citizens
 20. Offer broader opportunities for businesses, other than the usual low level supplies, cleaning, manual labor type contracts. There are lots of other highly qualified, high end services firms (e.g., Professional, Technology, Bio-sciences, etc.)
 21. Include acquisition goals, practices and achievements in the 'acquisition transparency protocol'.
 22. The LSBRP should provide a 1-year business forecast that helps businesses plan.
-

Recommendations to Improve Outreach

Recommendation #13: Expand County outreach programs.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	95	86.4%
No	15	13.6%
Unanswered	133	

Comments:

1. Your county says one thing and does another. Bad rep at this point
2. It will increase costs without measurable benefit, IMHO
3. Feeding the MFD population the answers does nothing long term. Demonstrating that the owner is resourceful on his/her own is what makes or breaks a business over the long term.
4. Too costly
5. Put on Webinars and enhance the web site. Don't waste money on meetings.
6. It has not worked in the past.
7. MFD firms and all business owners should assume responsibility to 'find' their opportunities.
8. Businesses don't locate here because it is too expensive and the county bureaucracy is too great. It is too hard to get anything done. A communications campaign won't change that.
9. Such programs can be run by Chambers and other business groups, the County can provide the experts, speakers, etc.
10. Businesses already know about these offerings, what we need is not outreach, we need opportunities. Don't create the same obsolete and inefficient system that the federal SBA has created. Use our tax dollars wisely by allocating it to acquisition.

- There's plenty of this outreach in County and DC area already for businesses and adding more would be unnecessary and wasteful. Focus money in other areas that help diverse businesses.

Recommendation #14: Invite potential MFD prime and subcontractors to attend pre-bid conferences for high value contracts.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	103	96.3%
No	4	3.7%
Unanswered	136	

Comments:

- These conferences are open to any and all subs anyway.
- You still won't get the participation from the vendors. Companies usually don't have the time to go to these conferences or you will see the same contractors every time who have a designated biller.
- If your staff develop well written RFPs with clear SOWs and guidelines for acquisition, and you enforce the prime/sub agreements there's no need for pre-bid conferences. They are a huge waste of time.

Recommendation #15: Increase formal interaction between the County and Chambers of Commerce to improve outreach and correct negative perceptions.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	92	84.4%
No	17	15.6%
Unanswered	134	

Comments:

- That's not effective use of my tax paying dollars. Give the business community the problem and ask us to fix it.
- Too costly
- Chambers of Commerce dues are extremely high which would prevent many MFD subcontractors from participating.
- Should be the Entrepreneurs responsibility.
- Typically, these events are low attended and this would not be an effective way to spend tax dollars. Please research all expenses related to staffing, planning, and associated costs of this type of event before committing.
- Not sure what this will accomplish.
- I'd like to see the county do outreach to all businesses, not just those that are part of Chambers of Commerce.
- Chambers aren't what they used to be, spending too much money for small return

9. The purpose of this recommendation is not clear.
10. This may lead to higher taxes.
11. You are assuming that the Chamber of Commerce is qualified to provide these certifications - this is outside of their primary charter and competency!
12. As long as that consideration is given to all contractors or businesses.
13. These events are a huge waste of time. If you want to change perception, change your acquisition goals, adopt transparency guidelines, increase acquisition, and hold primes accountable. Please don't waste our tax dollars on these ineffective events.
14. The chambers are already visible. No need for this kind of thing.
15. Federal and state funding are a part of many contracts. These agencies may be invited to Montgomery County networking event, as well as, national and international entities who are and hope to do business in Montgomery County.

Are there any specific changes to the MFD and/or LSBRP Outreach activities that the Task Force hasn't captured that you would recommend?

1. Important that outreach provides vendors/contractors greater visibility and interaction with County's contracting officers in order to build working relationships ahead of contracting decisions.
2. Yes, change the evaluation criteria for selection where experience does not need to be with a particular agency or group, but in the project type, for any agency, firm or group. (For example University of Maryland's #1 evaluation criteria essentially precludes any firm that has not done work with UMD - it is a Catch 22, how can a firm EVER get work with UMD if they have not worked with them in the past?)
3. Provide access/support for Loan and Bond Guarantee programs within the County program.
4. Highly recommend creating Hispanic outreach activities to further engage this segment- Currently the process is very disjointed and inconsistent impairing the relationship between the County and Hispanic Businesses- Cool & Associates would happily contract with the County to develop a Hispanic Outreach campaign.
5. You recommend to much pointless activities to start with. Streamline the whole Program. I don't even look at County Bids anymore because of the paperwork. Anyone ever heard of just get the Job done per the Specs.
6. Outreach and education is always better than policy.
7. An alternative or addition to #12 is to create an interested vendor's registry for bids similar to the fbo.gov federal procurement site.
8. I don't think one must be a chamber member to receive access to the bids
9. As a web marketing professional, I would utilize social media more to promote the county's programs and events. Go where your audience is.
10. A regular schedule of training for minority-owned and local, small firms would be beneficial. In addition to the topics listed, it also would be helpful to have training on how to write an effective proposal. Partner organizations such as SBDC, LEDC, the Maryland Women's Business Center and the Capital Region Minority Supplier Council are already well-positioned to assist with this training.

11. Montgomery County should also send emails to registered MFD firms alerting them to current solicitations and pre-bid meetings as they become available. Similar to the Baltimore City/County notification system.
 12. Add a small budget for technical assistance in viable chambers.
 13. The types of events described above should be open to ALL small businesses, not just MFD.
 14. Visit local companies to understand what resources are available here.
 15. Prompt communication of upcoming opportunities. Most of the current outreach are notices for procurement proposals due in a week or 10 days. How can a small business compete with little or no awareness of the opportunities and potential clients needing their services?
 16. A well maintain content management system that posts well-written RFPs in sources sought, pre solicitation, solicitation and awards is in order. Please use all ICT that's available to include: SMS, Website, and text.
-

Recommendations to Improve Accountability

Recommendation #16: Establish and appoint an oversight commission.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	90	82.6%
No	19	17.4%
Unanswered	134	

Comments:

1. Another commission. I cannot even get those currently in office to ever return a phone call.
2. Unnecessary
3. There already is a Minority Board.
4. Try it without a commission first. Waste of resources!
5. They are having problems doing the job that currently exists. Why haven't they bid out the plumbing service RFP for 3 years? Why do they keep extending it when several of the managers are complaining about the current service provider?
6. More regulators that don't actually do oversight is only one more tax burden.
7. Not well spent
8. Too costly.
9. We don't need any additional bureaucracy. Let the professional in the MBE office do their job and hold them accountable through the current chain of command.
10. County is already overstuffed with overpaid employees.
11. I don't believe that a "commission" is required. A small staff can do the same thing.
12. No need to create another position.

13. We don't need any more commissions producing reports. Procurement employee's jobs should be dependent on how many small businesses they place and on the dollar value of the contracts awarded.
14. This should be handled through existing enforcement means - do not add another layer of bureaucracy.
15. Too many commissions already, ASSIGN someone to do this. Do not create more bureaucracy!
16. Require the department heads to report - no need to hire more people to form a commission.
17. Waste of time, hugely inefficient. If you hire the right acquisition staff, and adhere to best acquisition practices and transparency you don't need another level of bureaucracy. The County should already have a strong system in place to ensure compliance.

Recommendation #17: Retroactively apply adopted recommendations.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	74	69.2%
No	33	30.8%
Unanswered	136	

Comments:

1. Prices are established at the time of award and economic price adjustments are not considered by the County, in most cases. Retroactively applying any change is unfair and burdensome to the Contractor.
2. Too aggressive
3. Not fair.
4. Too cumbersome
5. Too much work, could be confusing and time consuming.
6. This will be an undesired favor to those already benefiting from an opportunity.
7. It will cause project over runs. If you make it retro then you will open yourself up for claims.
8. For signed contracts this is a legal nightmare and should not happen - also very costly for the County and tax payers to litigate
9. That's a breach of faith if you change requirements and a well-performing company cannot renew a contract that they are counting on.
10. This will create a legal night mare and the county will lose trust with its contractors. You can't change the game after it has already started. This is bad faith period.
11. This should be done, at re-compete or new contracts.
12. And of course create a Committee to oversee this, right?
13. It might slow down any projects currently in process to try to bring new consultants on.
14. If so, pricing should also be renegotiated.
15. It will create hardship on Prime Consultants; apply to new contracts.
16. Apply to only new contracts moving forward starting 2016.

17. Retroactive amendments to contracts can be harmful to vendors or expensive to the government.
18. This recommendation could affect/negate the terms and conditions of contracts in place essentially deeming them null and void when the contract has been in place without issue. The County awarded these contracts, they should ride them out.
19. Why create the extra work. Draw a line in the sand and move forward.
20. I don't think that you should go backward, just move forward with the new contracts.
21. Contracts already awarded or set in motion should not be changed to suit any upcoming changes as those contracts should fall within the grandfather rule of thumb.
22. Illegal. Rebid them if you must.
23. It would be almost impossible to put all these recommendations with current contracts. I think the recommendations should have a "start" date when these recommendations will start; Playing forward.
24. This will cost the county \$\$\$ - unnecessary and impractical, and does not represent the spirit of collaboration required to make this happen...
25. Too expensive. Potentially unfair to companies that have won contracts.
26. Too hard to retroactively enforce. Are you going to make prime contractors kick out high-performing small businesses that aren't MFD in order to make these goals retroactive?
27. Unfair to current contract holders. Such a practice should only be done if already permitted in the contract language.
28. That could be onerous to the contractor, especially if it is highly specialized work.
29. Sometimes the current contractor is the best one to maintain a job or system. Increasing MFD requirements upon renewal might cause turnover that is actually bad for the County.
30. Quite wasting time and resources. Star anew, publish on the Website and other existing County ICT assets the new strategy and policy.

Recommendation #18: Tie diversity goals to performance.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	90	84.1%
No	17	15.9%
Unanswered	136	

Comments:

1. The county will not do anything even if they had info that showed performance disparities.
2. Time-consuming and too costly.
3. This needs to be fully developed and detailed before any such plan is rolled out. This cannot be delegated to low level admin as it is one of the most important components of the plan. Accountability!
4. More county jobs. Not helping LSBRP or MFD.

5. Again.....You can't "make" the minorities bid on contracts. It's not the fault of any managers.
6. With this rule, the best company for the job will be fighting a losing battle so that goals are met. Unfair to non-minority business
7. I agree with the recommendation, but would expand it to include local small business utilization as well. In addition, there should be more upper management support of LSBRP and MFD utilization for all contracts (not just those that are "eligible").
8. Goal of accountability is proper. However, as proposed employees would be encouraged to make awards on diversity alone and not fully evaluate merit. No one should be paid tax payers money based solely on a protected class status. That is discrimination
9. How about tying performance to performance? Make them actually do their jobs. Streamline processes instead of making them harder.
10. If the performance review shows that there was no compliance what are the penalties to the non-compliant party?
11. It is more important to get the work done well, timely, and cost-effectively than to meet a diversity goal.
12. Again, making diversity a requirement for program managers and contract administrators will result in bad choices being made simply to meet those goals!
13. Diversity is diversity, performance is performance. Performance should be a color blind evaluation. Either you perform or you are fired.

Recommendation #19: Create Office of Procurement Accountability within the Office of the Chief Administrative Officer.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	76	71.0%
No	31	29.0%
Unanswered	136	

Comments:

1. Enforcement and accountability should be wholly accomplished through the Office of Procurement with reporting to the Director.
2. Don't need that much overhead
3. I don't see why an additional office is needed
4. Cost.
5. Who does this person answer too?
6. Wait, give it a year or two. Too much government, not good!
7. We should be focused on performance and let diversity work itself out.
8. Same as above - no need to create another position and a tax burden - simply require the goals to be met and if they are not hold the proper person accountable - and dismiss them if necessary
9. Again, \$\$ not well spent
10. Too costly

11. We need to reduce government and stop adding layers of bureaucracy! Montgomery County already has a reputation for unnecessary levels of red tape.
12. Again sounds like recommendations for bigger government
13. Another \$200k job isn't necessary to complete what can be accomplished by an individual or individuals in procurement.
14. This should not be an isolated effort - it would be better to keep it with general accountability metrics used by the County.
15. Redundant to prior recommendations.
16. No need to create new positions. Keep the playing field fair among contractors and vendors.
17. More departments means more bureaucracy.
18. I agree with the recommendation, but this office should also actively support local small business utilization.
19. This can be done differently, leads to higher taxes.
20. More bureaucracy that is not needed, especially at taxpayer's expense!
21. Again - more bureaucratic bloat! STREAMLINE! Eliminate steps and unnecessary processes. Stop increasing the size of the county government.
22. Don't need another layer of bureaucracy. Accountability should be effective.
23. Again, don't add more layers of people/payroll.
24. Too many Offices, Commissions, and other middle management. Less gets done.
25. NO! Chief Administrative Officer should already have these responsibilities. Enhance their skills, publish a forecast and adhere to best acquisition practices.
26. The County should be able to accomplish this without creating an entire new office.

Recommendation #20: Simplify Request for Proposal boilerplate forms.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	103	93.6%
No	7	6.4%
Unanswered	133	

Comments:

1. Too costly
2. The FRP's are typically straight forward
3. Part of owning a legitimate business is being able to read, understand and execute documents. If the language as written is necessary based upon the County Attorney's recommendations, then it should stand.
4. It would depend on the SOW and how detailed the work is. The RFP can be longer than 40 pages. However if the workload is minimal then the RFP can be shorter than 40 pages.
5. What is a boiler plate?
6. However, the documents should still be informative and left with no questions needing to be asked because pertinent information is missing.

Should the Task Force recommend any additional Accountability measures that have not been reflected?

1. Informal solicitations requiring panel review are not informal. Solicitations are long, burdensome and costly, especially to MFD and LSBRP businesses. Simplification should be undertaken to ensure that companies can bid effectively on opportunities.
2. Have one form and once it is signed it is good for all bids period. Too duplicative and expensive.
3. Someone needs to be verifying that minority firms are real.
4. The procurement requirements and contracts are onerous - I have looked at many, decided that the effort to prepare an RFP exceeds the risk of trying to get a small contract
5. Fantastic recommendations with actual enforcement!
6. Downsize County Government. Have county employees work 8 hours a day.
7. Expectations should also be set for turnaround times on solicitations. The County has strict deadlines for when solicitations must be submitted, but sets no expectations for when awards should be made. This causes extra work all around and discourages businesses from submitting proposals when the decision-making process drags out. Timeframes should be established and a system for communicating where a solicitation is in the decision-making process would allow a company to monitor progress.
8. The office of accounting should verify the interested LSB in Montgomery County before giving a contract re-award.
9. The County should adopt an electronic bid submission system similar to Baltimore County.
10. Add measureable growth rates for MFD businesses in particular industries.
11. Follow the "KISS" principle: "Keep It Simple, Sweetie".
12. Double down on #18!!! We're small businesses, trying to make it, how can we do that having to weed through a maze of forms, clauses, and requirement documents. Save trees and simplify the process.
13. The current Office of Acquisition should be better prepared and more accountable. Instead of creating more layers and new positions, you need to reengineer the current office. Recommendations for enhancing skills, processes, and systems of the current Office is missing instead you propose to add and that is just not appropriate, as it costs money and we are not convinced it yields success.
14. Accountability on the procurement level should also include requiring the county to provide post-bid and award information to vendors. We have found that once you submit a bid, you only hear from the County if you win. If you lose, the county should let you know and then provide basic information in writing to all bidders (winner name, winning price key factors in decision). Knowing this is invaluable and will greatly help smaller businesses be more successful.

Recommendations to Increasing Capacity of Local Small and Minority Firms

Recommendation #22: Establish a mentorship program.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	89	81.7%
No	20	18.3%
Unanswered	134	

Comments:

1. Not fair.
2. I just do not like the way Mentor-Protégé works.
3. Let the MFD firms develop on their own - too much effort for prime contractors.
4. This program is a failure in the District and fraught with cronyism and fraud. The community does not need this.
5. Unless you have staff to support an initiative then it will not succeed. Goals should be attainable and measured and I am not sure if the county has the infrastructure or expertise to manage such a program at this time.
6. You will reduce the number of Companies participating in bidding. Is that your goal?
7. It is not the Counties responsibility to run, manage or help grow and independent business. It is also discriminatory to well established businesses that do not need to be mentored after 50 years.
8. Let each company handle their own growth. Some don't have the capacity or the workforce to get involved in all these special efforts. the larger companies will get the benefit because they have the means and the manpower
9. Let Primes and MFDs use their business experience to develop meaningful productive relationships. The County should stay out of this venue.
10. Once again it leaves out the most qualified to meet MFD goals. Best company not getting the job because of this
11. Mentoring is not usually done by a prime. I know by past experience.
12. The recommendation is good but should also include local small businesses.
13. This should be the responsibility of the procurement office, not a separate entity (less bureaucracy with qualified procurement personnel)
14. I thought the County already had a mentorship program, run by Devance Walker.
15. Sounds cumbersome
16. Businesses naturally know how to do this, we don't need hand holding we need contracts, work. Instead focus your efforts and our tax dollars in strengthening the procurement system, making it user friendly, be transparent, and adhere to best practices.

Recommendation #23: Establish private sector initiatives.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	90	85.7%
No	15	14.3%
Unanswered	138	

Comments:

1. Very difficult to implement, efforts are better spent on the other recommendations.
2. If there is a diversity problem let the private community fix it if it's part of their core values. Too much involvement will drive away developers and businesses.
3. Leave the private sector alone. Not workable.
4. This is a great way to deter business growth in the county. We should never try to legislate the private sector. It is private!
5. Again government jobs, stifling businesses. Have you heard? People are lazy
6. Redundant.
7. Fair across the board. no specials for any one particular group
8. Too intrusive
9. The recommendation is good but should also include local small businesses.
10. Montgomery County is having enough issues drawing any business here. Restricting how they can perform will only make that worse.
11. Stay out of private sector initiatives, they are private, stay in your lane. Focus on simplifying the process, create a user friendly online system, publish the forecast, and post pre solicitations.

Recommendation #24: Improve financing options.

Survey Response	Number (#) Respondents	Percent (%) Respondents
Yes	90	82.6%
No	19	17.4%
Unanswered	134	

Comments:

1. Took us 180 days to get paid on Montgomery County jobs. Payment must be faster for small business to stay in business
2. MFDs must earn it the hard way like all other businesses had to before our gov't got involved. Can I get a retro handout?
3. If a firm is really viable, they will have the savings and the financial chops to be a business, if not they will fail - no amount of easy money will cure that
4. No need to intervene in financial markets.
5. Please show examples of how this was successfully managed in other areas of the DC metro. What is the risk to the County?
6. Should not be limited to MFD companies... Also add Small Local Business.
7. This can dilute the focus from procurement to other areas that are already covered in technical and financial support
8. Again, the County should not be involved in the day to day business ownership responsibilities of a local business.
9. There's no reason for preferential treatment because of minority, female, etc.
10. Do these programs also assist for non MFD companies and isn't this hurting non MFD companies that need financing
11. The recommendation is good but should also include local small businesses.
12. Financing is not a problem or an issue for MFD small businesses.

13. This already exists in the federal arena, and private sector.

Are there any specific changes to increase the capacity of local small businesses and minority firms that the Task Force hasn't captured that you would recommend?

1. Billing/payments two times a month with a 10 day turn around in payments
2. Transparency is always a concern. County needs to identify ways to embrace greater transparency and access to information.
3. If a company is consistently getting contract awards (as a prime or sub), it should be restricted and subjected to a waiting period before getting more business from the County.
4. End favoritism.
5. Once this recommendation is implemented there should be much monitoring. There seems to be a lot of prime and subcontractors that are in the buddy system and only look out for their buddies. This makes it hard for other subcontractors to get work even when they have better capabilities. Monitoring should also include personnel issues between prime and subcontractors.
6. There may be a misconception that MFD companies are local or small businesses. I believe the same attention should be given to the LSBRP community. I believe the County should hire the best companies to complete tasks... At the end of the day this is taxpayer money. Regardless of a contractors background true benefit is when local talent is being utilized.
7. Collaborate with existing organizations such as chambers, SBA offices, SBTDCs and similar entities already in operation but keep a focus on inclusion and fair usage of MBDS and LSBRP firms in procurement.
8. Develop capacity building seminars for presentation to small businesses
9. It would be helpful to have a more user-friendly vendor database of local small businesses, including their minority certifications that would allow buying departments to more easily identify qualified companies for solicitations and also direct purchases. A comprehensive and easy-to-use database could be promoted to private companies throughout the region. Although the current database is available to the public, it is difficult to use and provides limited information about potential vendors.
10. The County recently approved the privatization of the DED within Montgomery County. The new Board should consist of both a local LSBRP and MFD firm. I would personally recommend my company, N.G. Security Solutions (NGS) as a candidate for the board. To ensure that MFD firms are represented and considered in the economic development of our County. As a current mentee in the DED 2015 program, I would recommend that the new DED board continue the Mentor/Protégée program.
11. Create a specific fund for MFD businesses.
12. Tax incentives / credits to enable growth. Self-funding is healthier than debt.
13. Simplification of the procurement process such as user-friendly RFPs with well written SOWs and instructions curtail the wasteful pre-bidders' conference and outreach; publishing the forecast helps businesses plan ahead both financially, staffing and for the RFP response; transparency in the acquisition goals, achievements, challenges,

opportunities allows us to plan, and decide bid/no bid; strengthening the skills and systems of the existing procurement offices reduces waste in creating new boards, commissions, and offices, and enhances the overall procurement process; using all current MOCO ICT and social media assets in a more consistent, timely and coherent fashion helps maintain us informed of upcoming opportunities; sending surveys such as this one well in advanced at least 14 days not 4 days helps engage us and build more positive rapport; and ensuring that MOCO staff respects businesses, values our contributions, and run their programs with outmost professionalism will change perception. Events, meeting, conferences, commissions, mentorship, etc. are wasteful, unnecessary and inefficient.

Demographics

Services Provided	Number (#) Respondents	Percent (%) Respondents
Goods	23	16.9
Professional Services	78	54.7
Non-Professional Services	17	12.5
Construction	18	13.2
<i>Unanswered</i>	<i>107</i>	

Approximate Annual Sales	Number (#) Respondents	Percent (%) Respondents
\$100,000 to \$499,999	29	32.6
\$500,000 to \$999,999	14	15.7
\$1 million to \$4,999,999	25	28.1
\$5 million or more	21	23.6
<i>Unanswered</i>	<i>154</i>	

Minority, Female, Disable-Owned Firms	Number (#) Respondents	Percent (%) Respondents
Yes	92	80.7
No	22	19.3
<i>Unanswered</i>	<i>129</i>	

Businesses Certified as MFD firm	Number (#) Respondents	Percent (%) Respondents
Yes	49	53.3
No	43	46.7

MFD Certification Agency	Number (#) Respondents	Percent (%) Respondents
Maryland Department of Transportation	37	52.1
Virginia Department of Small, Women and Minority Owned Business Program	16	22.5
Federal Small Business Administration	0	0
Women's Business Enterprise National Council	0	0
Capital Region Minority Development Council	9	12.7
City of Baltimore	9	12.7

Minority Group Business Ownership	Number (#) Respondents	Percent (%) Respondents
African American	37	33.6
Hispanic American	17	15.5
Asian American	17	15.5
Native American	2	1.8
Female	32	29.1
Person with Disability	5	4.5
<i>Unanswered</i>	<i>133</i>	

Business Located in Montgomery County	Number (#) Respondents	Percent (%) Respondents
Yes	75	65.8
No	39	34.2

Business Registered in Local Small Business Reserve Program	Number (#) Respondents	Percent (%) Respondents
Yes	52	69.3
No	23	30.7