The Board of Education and the State of Maryland have policies and regulations related to MBE/SBE participation on contracts. Last February, the Board was given a presentation on FY03 and FY04 data. Board Policy 3200 requires the Superintendent to report on the participation of minority and small business enterprise annually.

Attachment I – Minority and Small Business Enterprises – Annual Report
Definitions

④ Minority Business Enterprise (MBE)
④ Defined by the State Finance Procurement Article 14-301 for State Construction, any legal entity that is:
  ④ at least 51% owned and controlled by one or more individuals or;
  ④ a non-profit entity organized to promote interests of the physically or mentally disabled.
④ State-funded contracts – must be certified by the Maryland Department of Transportation (MDOT)
④ County-funded contracts – must be certified by the MDOT or other recognized municipalities or minority associations.
Definitions (continued)

- Minority Groups
  - African Americans
  - Asian Americans
  - Hispanic Americans
  - Native Americans
  - Women
  - Persons with disabilities
Definitions (continued)

- Small Business Enterprise (SBE) as defined by State Finance Procurement Article 14-201
  - A business with 1-100 employees, depending on classification
  - Generates an annual revenue of less than $7 million (for construction), and $2 million for other business classifications
Board Policies and Superintendent’s Rule

- Board Policy and Superintendent’s Rule 3200 – Purchasing from Minority and Small Business Enterprises
- Board Policy 7460 – Construction – Purchases from Minority Businesses
- Sets goals for MBE/SBE involvement
- Specific goals for all contracts
  - 14% total value of contracts from both MBEs and SBEs
- Sets compliance with state contract goals
State Regulations (14-302)

Goal for State-Funded Public School Construction Contracts

- 25% total value of contracts from MBE
- 7% minimum classified as African American
- 10% minimum classified as Woman-owned
- Specifically looks at sub-contractors in addition to initial contractor
Board Goals of Surrounding LEAs

- Anne Arundel County Public Schools
  - 14% total value of board (county) funded contracts
- Baltimore City Schools
  - 12% total value of board (city) funded contracts
- Carroll County Public Schools
  - No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- Harford County Public Schools
  - No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- Howard County Public Schools
  - No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- Montgomery County Public Schools
  - No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- Prince Georges County Public Schools
  - 30% of total value, with a minimum of 15%, for board (county) funded contracts
Contracting Process

④ The need for a solicitation is identified by either a faculty or staff member.
④ The Office of Purchasing meets with the user to identify the specifications of the solicitation.
④ The solicitation is then developed and advertised by the Office of Purchasing on their web page and on Maryland Contract Weekly.
④ Beginning in 2007, all state bids will be required to be advertised on eMaryland Marketplace and on their online system. The Maryland Contract Weekly will be eliminated.
According to the Education Article of the Annotated Code of Maryland §5-112, once solicitations are received from prospective vendors, the Office of Purchasing, along with the user, evaluate the offers and award to the lowest responsible bidder who conforms to the specifications with consideration given to:
Contracting Process (Continued)

④ The quantities involved
④ The time required for delivery
④ The purpose for which required
④ The competency and responsibility of the bidder
④ The ability of the bidder to perform satisfactory service
④ The plan for utilization of minority contractors
Contracting Process (Continued)

④ After an award vendor is determined, the award of contract is submitted to the Board of Education for approval.
④ After Board approval, a contract is finalized and is executed.
Contracting Process (Continued)

4 State-funded Contracts
   4 All invitations for bids outline MBE participation goals.
   4 Purchasing notifies the Maryland/Washington Minority Contractors Association (MWMCA) and Governor’s Office of Minority Affairs of all available bids.
Contracting Process (Continued)

④ State-funded Contracts (continued)

④ A Utilization Affidavit, a Schedule for Participation, and a Statement of Intent must be completed at the time of bid submission for each minority sub-contractor.

④ As necessary, a request for a waiver must be submitted if the state goals cannot be met, and an Unavailability Certificate for Minority Subcontractors must be submitted.
Contracting Process (Continued)

④ Board Contracts
④ Invitation for bids contain county MBE/SBE goals for participation
④ A *Utilization Affidavit* must be completed at the time of bid submission to BCPS by all vendors.
④ As necessary, a *Statement of Intent* must be completed and submitted within 10 days to BCPS by the award bidder.
4 Board Contracts (continued)

As necessary, a request for a waiver must be submitted if the county goals cannot be met, and an *Unavailability Certificate for MBE/SBE Subcontractors* must be submitted.
FY2005 Operating, Grants, Capital, and Food Services Expenditures

Items Subject to Competitive Procurement Process
12%
$122 million

Items not Subject to Bid
(Ex: utilities, salaries, benefits, copyrighted materials [texts], insurance, rent, maintenance fees)
88%
$900 million
Annual Reporting Results FY 2004 - FY2005
Contract Awards That Include MBE/SBE Participation
July 1, 2003 through June 30, 2005

Total Contracts
- FY 2004: 122
- FY 2005: 180

Non-MBE/SBE
- FY 2004: 24
- FY 2005: 27

MBE/SBE
- FY 2004: 98
- FY 2005: 153
Annual Reporting Results FY 2004 - FY2005

Contract Awards That Include MBE/SBE Participation

July 1, 2003 through June 30, 2005
Annual Reporting Results FY2004
State Funded Contracts – Total $19.8 million

MBE Participation for State Funded Construction Projects by Category
July 1, 2003 through June 30, 2004

Total State MBE Goal - 25%
Total Achieved - 32%
African American Goal - 7%
Achieved - 7%
Woman Goal - 10%
Achieved - 20%

- 68% Other Non-MBE — $13.7M
- 7% African American — $1.3M
- 3% Asian — $0.6M
- 2% Hispanic — $0.3M
- 20% Woman — $3.9M
- 0% Persons with Disabilities
- 32%
Annual Reporting Results FY2005
State Funded Contracts – Total $36.9 million

MBE Participation for State Funded Construction Projects by Category
July 1, 2004 through June 30, 2005

- African American: 62%
  - Goal: 7%
  - Achieved: 6.06%
- Woman: 21.87%
  - Goal: 10%
  - Achieved: 21.87%
- Asian: 4%
  - Goal: 0%
  - Achieved: 0%
- Native American: 0%
- Persons with Disabilities: 0%
- Other Non-MBE: 62%
  - Goal: 25%
  - Achieved: 37.72%

Total State MBE Goal - 25%
Total Achieved - 37.72%
African-American Goal - 7%
Achieved - 6.06%
Woman Goal - 10%
Achieved - 21.87%

0% MBE Participation
Annual Reporting Results FY2004

MBE and SBE Participation for all Contracts by Category

Total Contracts - $73.4 million

July 1, 2003 through June 30, 2004

Board MBE/SBE Goal - 14%
Total Achieved - 40%

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Other Non-MBE/SBE</td>
<td>60%</td>
<td>$44.8M</td>
</tr>
<tr>
<td>SBE</td>
<td>27%</td>
<td>$19.7M</td>
</tr>
<tr>
<td>Woman</td>
<td>8%</td>
<td>$5.7M</td>
</tr>
<tr>
<td>Persons with Disabilities</td>
<td>1%</td>
<td>$0.6M</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1%</td>
<td>$0.4M</td>
</tr>
<tr>
<td>Asian</td>
<td>1%</td>
<td>$0.6M</td>
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<tr>
<td>Native American</td>
<td>0%</td>
<td>$0.0M</td>
</tr>
<tr>
<td>African American</td>
<td>2%</td>
<td>$1.6M</td>
</tr>
</tbody>
</table>

40% of the total contracts achieved the Board's MBE/SBE participation goal.
Annual Reporting Results FY2005

MBE and SBE Participation for all Contracts by Category

Total Contracts - $121.3 million

July 1, 2004 through June 30, 2005

- 61.0% Other Non-MBE/SBE
- 19% SBE
- 12.5% Woman
- 11.0% Asian
- 3.0% African American
- 0% Native American
- .08% Persons with Disabilities

Board MBE/SBE Goal - 14%
Total Achieved – 38.96%
Reporting

④ Annual Report – MBE/SBE
MBE Outreach Efforts

The MBE Officer for BCPS has:

① Attended the 2005 Maryland Legislative Update seminar.

④ Participated in One-on-One Matchmaking sessions during the annual conference of the MD/DC Minority Supplier Development Council.

④ Attended a diversity seminar held by the Greater Baltimore Council.