

**BALTIMORE COUNTY PUBLIC SCHOOLS**

**DATE:** December 6, 2005

**TO:** **BOARD OF EDUCATION**

**FROM:** Dr. Joe A. Hairston, Superintendent

**SUBJECT:** **MINORITY AND SMALL BUSINESS ENTERPRISES – ANNUAL REPORT**

**ORIGINATOR:** J. Robert Haines, Deputy Superintendent, Business Services

**RESOURCE PERSON(S):** Barbara Burnopp, Chief Financial Officer

**INFORMATION**

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

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)

## ④ Minority Groups

④ African Americans

④ Asian Americans

④ Hispanic Americans

④ Native Americans

④ Women

④ Persons with disabilities



## Definitions (continued)

- ④ Small Business Enterprise (SBE) as defined by State Finance Procurement Article 14-201
  - ④ A business with 1-100 employees, depending on classification
  - ④ Generates an annual revenue of less than \$7 million (for construction), and \$2 million for other business classifications



# Board Policies and Superintendent's Rule

- ④ Board Policy and Superintendent's Rule 3200 – Purchasing from Minority and Small Business Enterprises
- ④ Board Policy 7460 – Construction – Purchases from Minority Businesses
- ④ Sets goals for MBE/SBE involvement
- ④ Specific goals for all contracts
  - ④ 14% total value of contracts from both MBEs and SBEs
- ④ Sets compliance with state contract goals



# State Regulations (14-302)

- ④ Goal for State-Funded Public School Construction Contracts
  - ④ 25% total value of contracts from MBE
    - ④ 7% minimum classified as African American
    - ④ 10% minimum classified as Woman-owned
  - ④ Specifically looks at sub-contractors in addition to initial contractor



# Board Goals of Surrounding LEAs

- ④ Anne Arundel County Public Schools
  - ④ 14% total value of board (county) funded contracts
- ④ Baltimore City Schools
  - ④ 12% total value of board (city) funded contracts
- ④ Carroll County Public Schools
  - ④ No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- ④ Harford County Public Schools
  - ④ No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- ④ Howard County Public Schools
  - ④ No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- ④ Montgomery County Public Schools
  - ④ No MBE goal for board (county) funded contracts other than the state goals for capital construction projects
- ④ Prince Georges County Public Schools
  - ④ 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.



# Contracting Process (Continued)

- ④ 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.



# Contracting Process (Continued)

## ④ Board Contracts (continued)

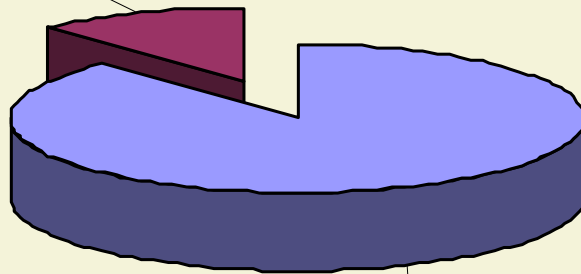
- ④ As necessary, a request for a waiver must be submitted if the county goals cannot be met, and an *Unavailability Certificate for MBE/SBE Subcontractors* must be submitted.





# FY2005 Operating, Grants, Capital, and Food Services Expenditures

Items Subject to  
Competitive  
Procurement Process  
12%  
\$122 million



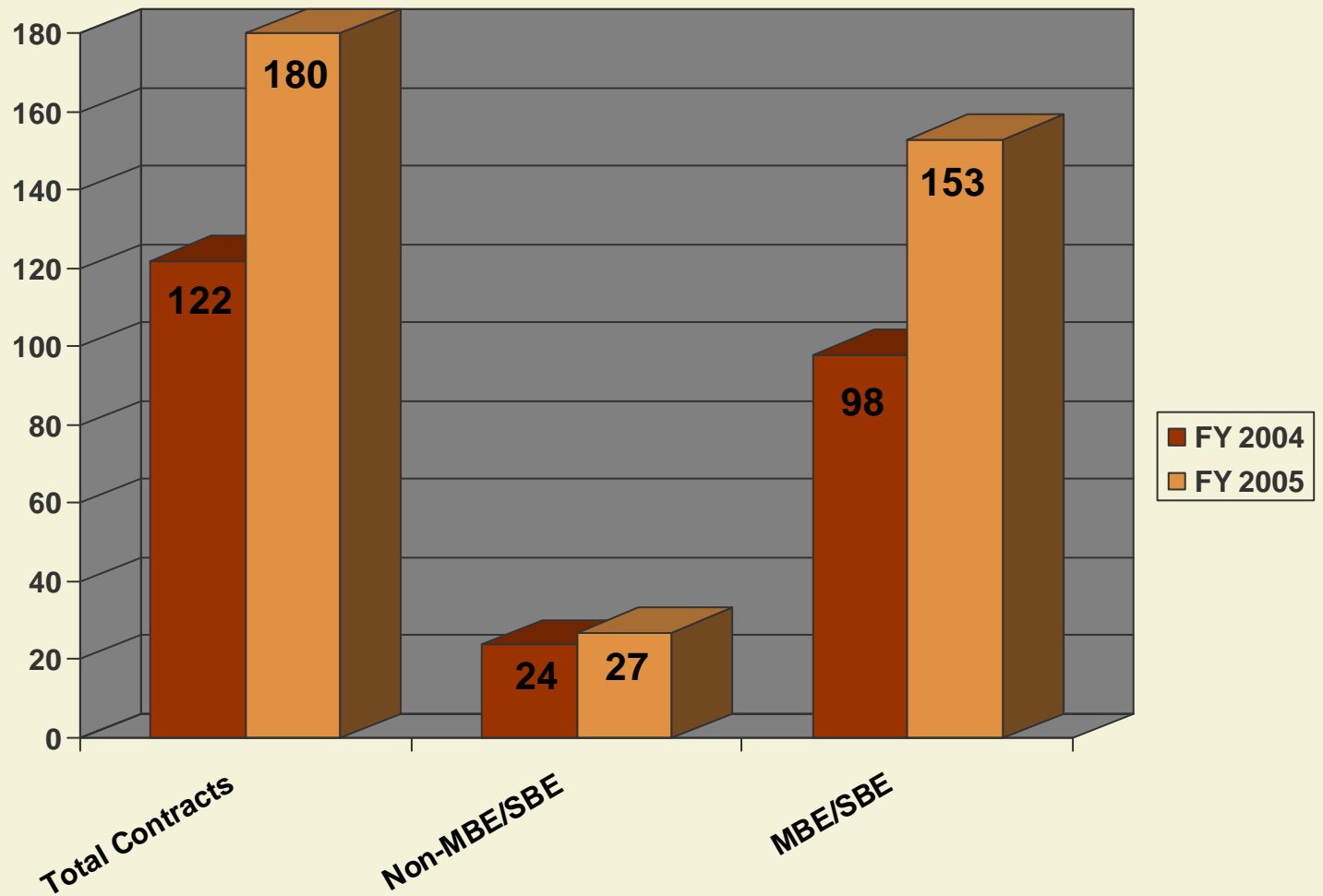
Items not Subject to Bid  
(Ex: utilities, salaries, benefits,  
copyrighted materials [texts],  
insurance, rent, maintenance fees)  
88%  
\$900 million



# Annual Reporting Results FY 2004 - FY2005

## Contract Awards That Include MBE/SBE Participation

July 1, 2003 through June 30, 2005

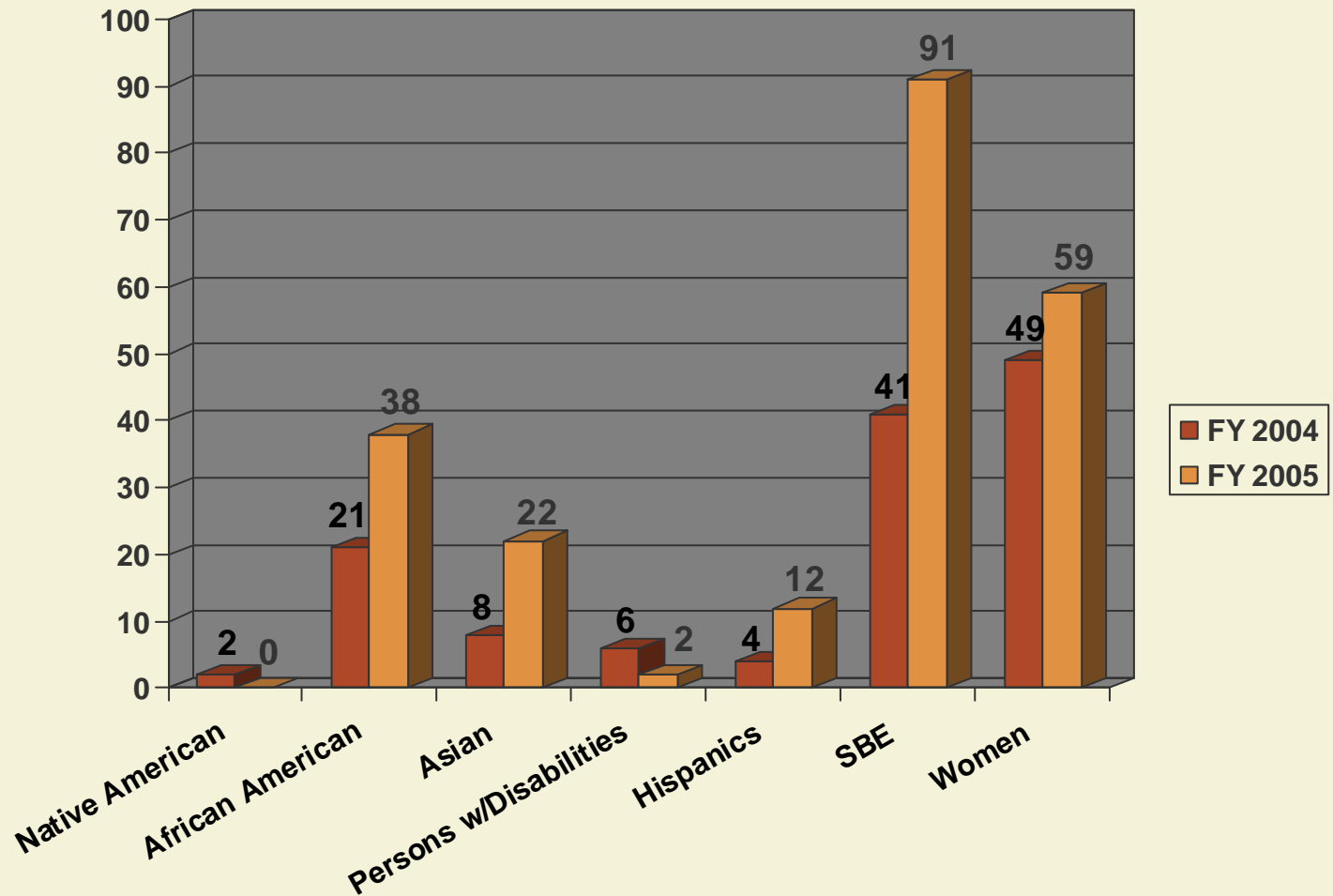




# Annual Reporting Results FY 2004 - FY2005

## 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%

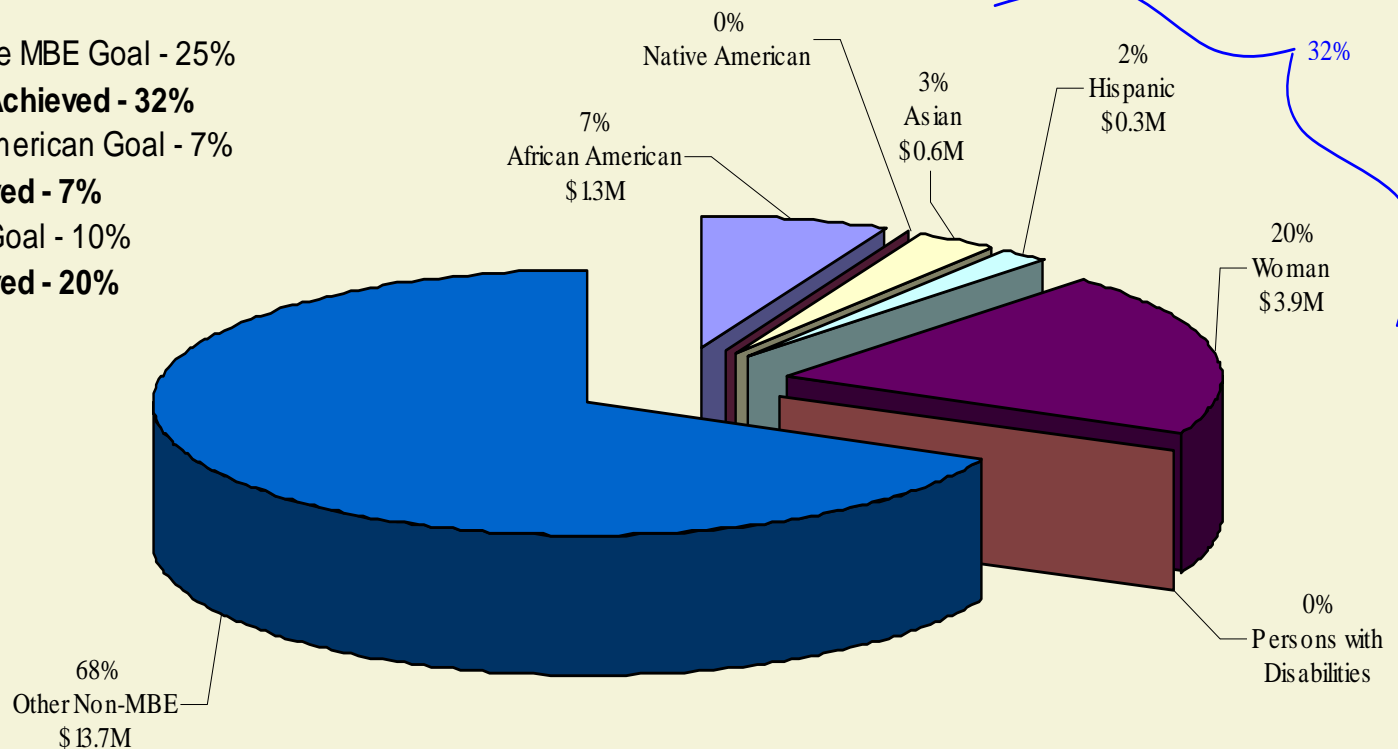
**Total Achieved - 32%**

African American Goal - 7%

**Achieved - 7%**

Woman Goal - 10%

**Achieved - 20%**

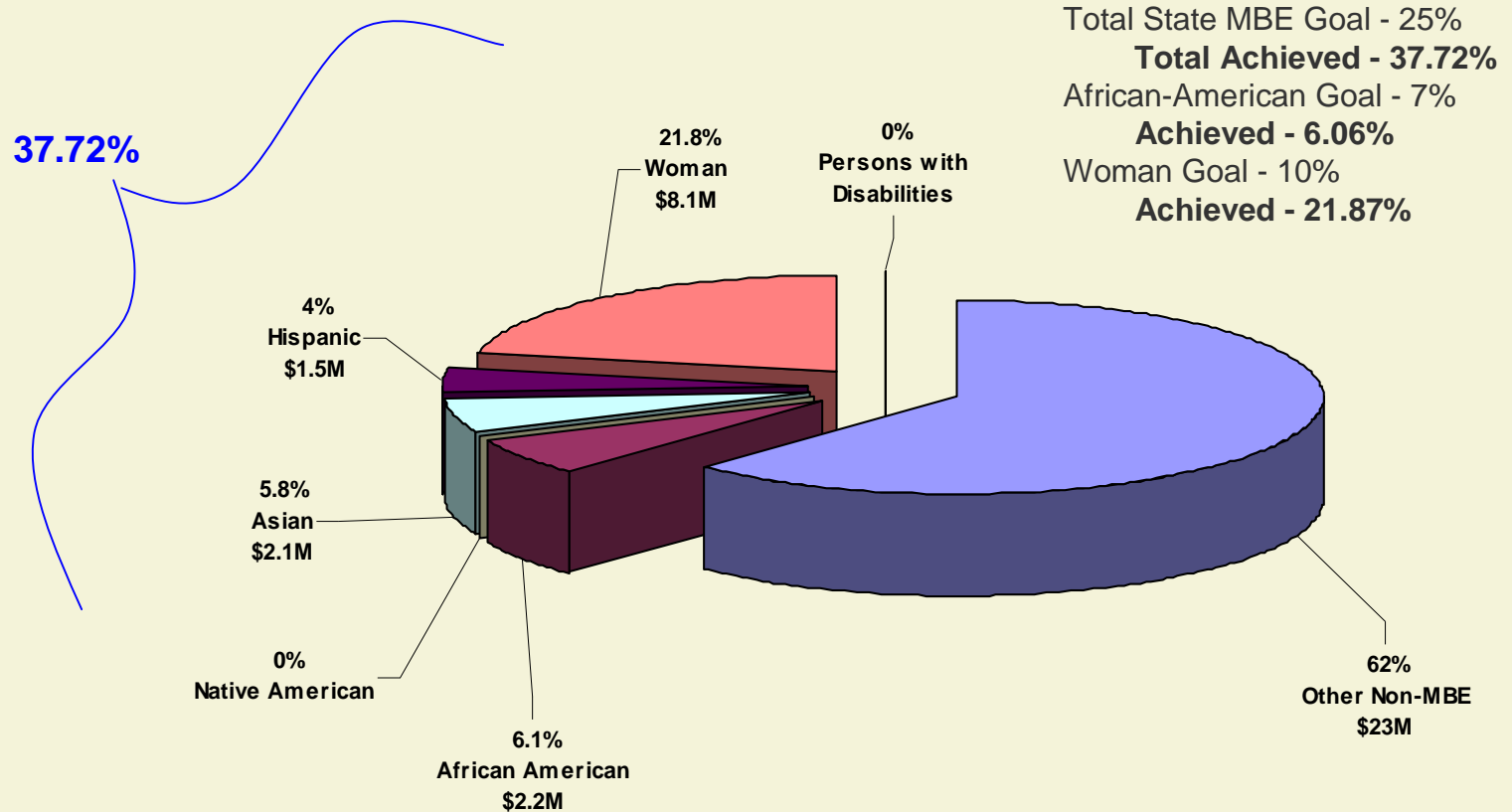


# Annual Reporting Results FY2005

## State Funded Contracts – Total \$36.9 million

MBE Participation for State Funded Construction Projects by Category

July 1, 2004 through June 30, 2005



# Annual Reporting Results FY2004

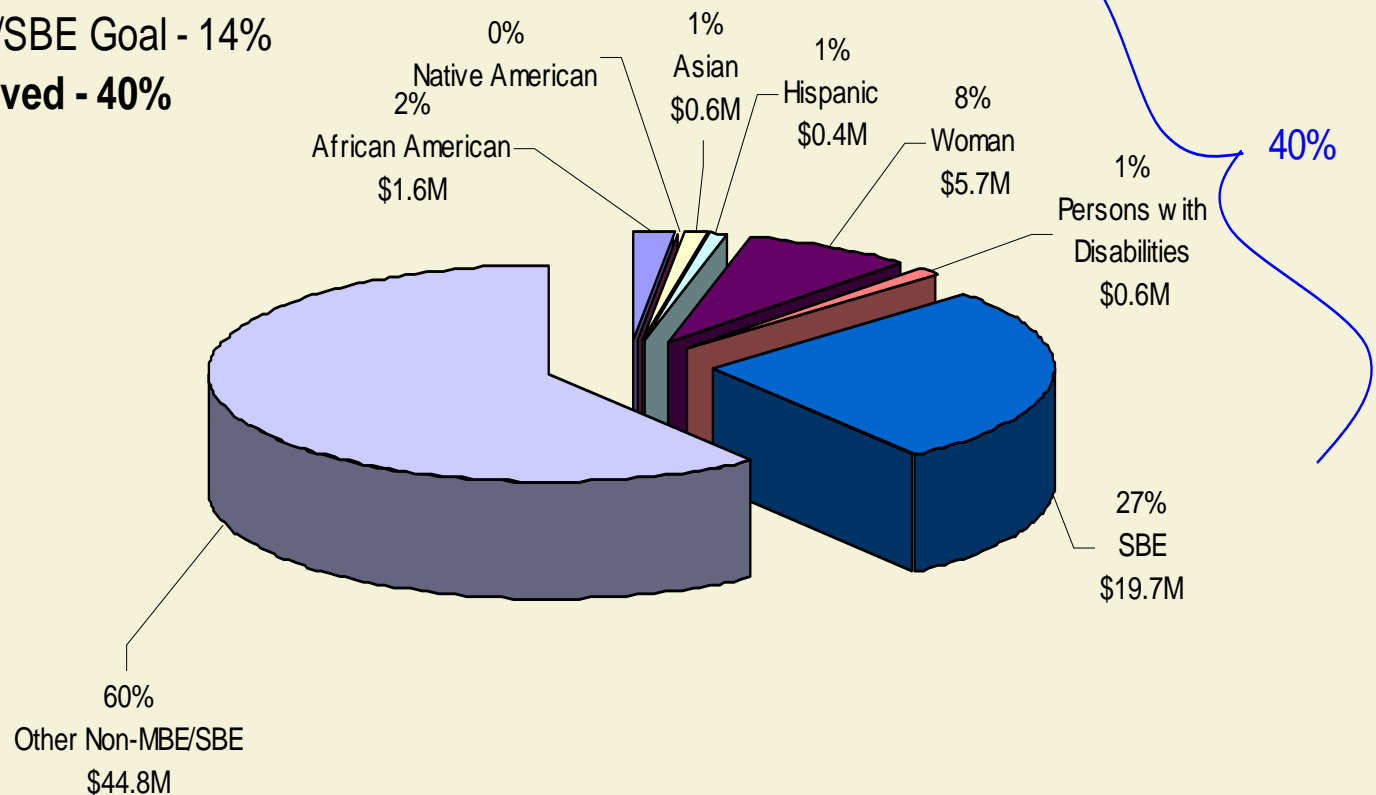
## MBE and SBE Participation for all Contracts by Category

Total Contracts - \$73.4 million

July 1, 2003 through June 30, 2004

Board MBE/SBE Goal - 14%

Total Achieved - 40%

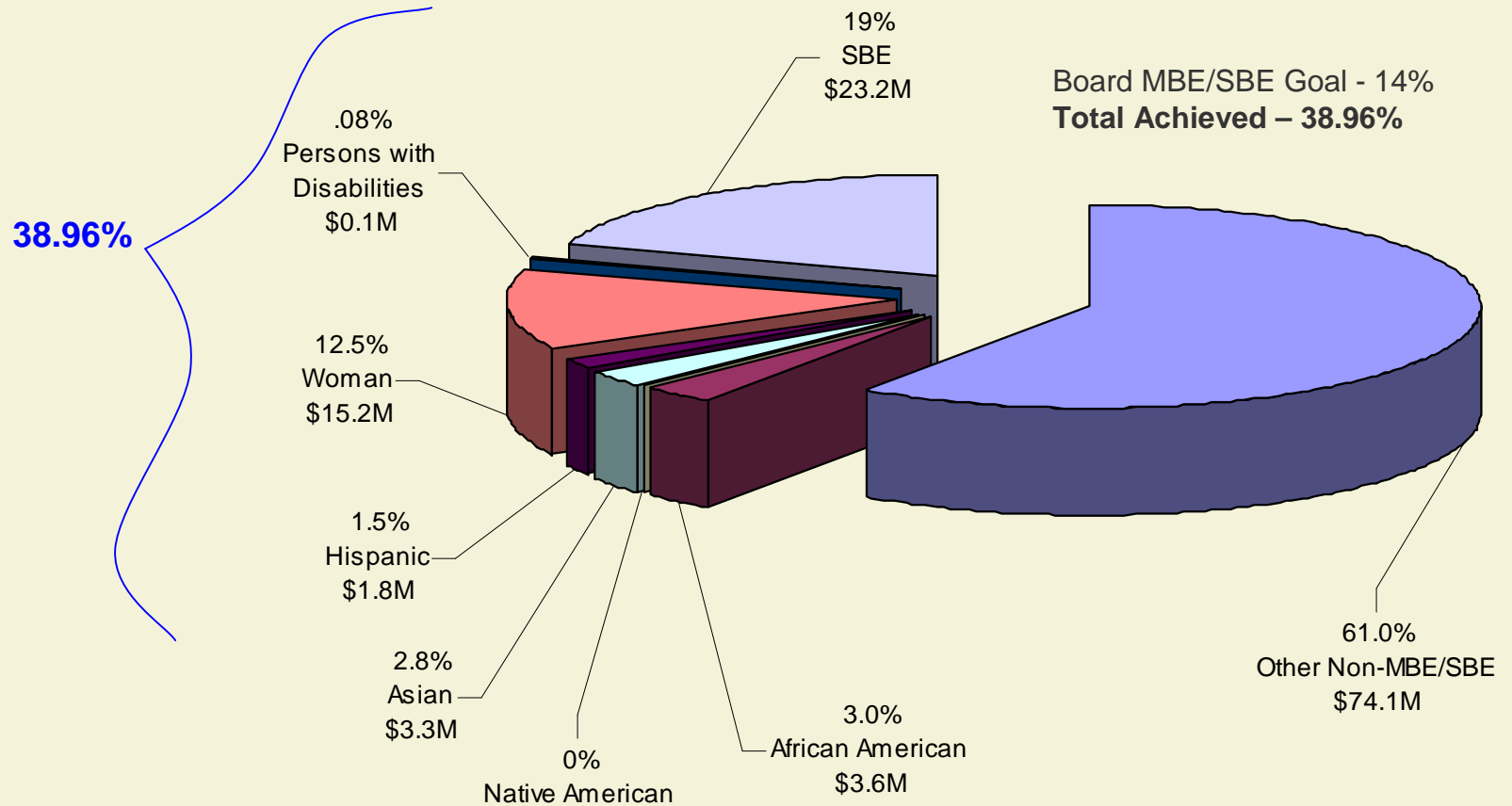


# Annual Reporting Results FY2005

## MBE and SBE Participation for all Contracts by Category

Total Contracts - \$121.3 million

July 1, 2004 through June 30, 2005





# Reporting

- ④ Annual Report – MBE/SBE
- ④ Bi-Monthly Friday Letter – Minority and Small Business Enterprises Report – New Contracts





# MBE Outreach Efforts

The MBE Officer for BCPS has:

- ④ Attended the 2005 Maryland Legislative Update seminar.
- ④ Attended a diversity seminar held by the Greater Baltimore Council.
- ④ Participated in One-on-One Matchmaking sessions during the annual conference of the MD/DC Minority Supplier Development Council.