

BALTIMORE COUNTY PUBLIC SCHOOLS

DATE: December 21, 2010

TO: **BOARD OF EDUCATION**

FROM: Dr. Joe A. Hairston, Superintendent

SUBJECT: **MINORITY AND SMALL BUSINESS ENTERPRISES – 2010 ANNUAL REPORT**

ORIGINATOR: Joe A. Hairston, Superintendent

RESOURCE PERSON(S): Barbara Burnopp, Chief Financial Officer
Richard Gay, Manager, Office of Purchasing

INFORMATION

The Board of Education and the State of Maryland have policies and regulations related to MBE/SBE participation on contracts. 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 – 2010 Annual Report



Minority and Small Business Enterprises

2010
Annual Report



Definitions

- Minority Business Enterprise (MBE)
 - Defined by the State Finance Procurement Article 14-301 for State Construction, any legal entity that is:
 - at least 51% owned and controlled by one or more minority individuals or;
 - a non-profit entity organized to promote interests of the physically or mentally disabled.



Definitions (Continued)

- Minority Groups
 - African-American
 - Asian-American
 - Hispanic-American
 - Native American
 - 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
 - less than \$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
 - Purchasing 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)

- Goals for State-funded Public School Construction Contracts
 - Procedures require BCPS to set overall and minority specific MBE goals for each project.
 - A Procurement Review Group reviews and analyzes each project and the potential for certified MBE contractors to participate.
 - Recommended participation goals for individual projects are included in advertisements as well as the bid documents.
 - Looks at sub-contractors in addition to prime contractor



ISO Contracting Process

- The need for a solicitation is identified by either a faculty or staff member.
- The Office of Purchasing meets with the user to identify the specifications for the solicitation.
- The solicitation is then developed and advertised by the Office of Purchasing on their Web page.
- All bids are also advertised on the state's *eMaryland Marketplace*, are viewable on their online system, and registered vendors are notified by automated emails to announce new opportunities.



ISO Contracting Process

(Continued)

- 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 responsive bidder who conforms to the specifications.



ISO Contracting Process

(Continued)

- Consideration is given to:
 - The quantities involved
 - The time required for delivery
 - The purpose for which required
 - The competency and responsibility of the bidder
 - The ability of the bidder to perform satisfactory service
 - The plan for utilization of minority contractors



State Contracting Process

- After an award vendor is determined, the award of contract is submitted to the superintendent and board for approval.
- After board approval, a contract is finalized and is executed.



State Contracting Process

(continued)

o State-funded Construction Contracts

- All invitations for bids outline MBE participation goals
- Office of Purchasing notifies the Maryland/ Washington Minority Contractors Association (MWMCA) and Governor's Office of Minority Affairs of all available bids
- Office of Purchasing advertises to all pre-qualified contractors and all MBE contractors of available bids through online plan room
- MBE contractors must be certified by Maryland Department of Transportation (MDOT)



State Contracting Process

(Continued)

- State-funded Construction Contracts (continued)
 - A Utilization Affidavit and a Schedule for Participation must be complete and accurate at the time of bid submission.
 - As necessary, a request for a waiver must be submitted if the state goals cannot be met.
 - If a waiver for any portion of the goal is requested, the contractor is required to submit full documentation of their good-faith efforts to meet the goal, including all applicable Unavailability Certificate for Minority Subcontractors.
 - The purchasing agent will confer with the BCPS MBE liaison to review this documentation and evaluate the good-faith effort. If the effort put forth by the contractor does not meet established criteria, the bid must be found non-responsive.

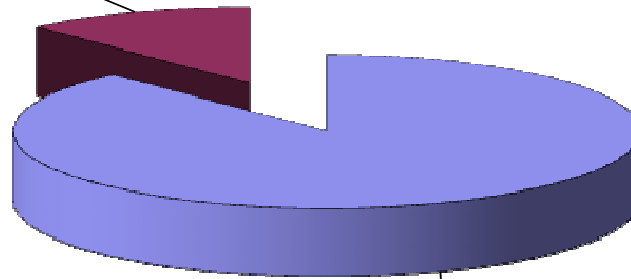


County Contracting Process

- Invitation for bids contain county MBE/SBE goals for participation.
- A *Utilization Affidavit* and a *Statement of Intent* must be completed by all vendors at the time of bid submission to BCPS.
- 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.
- MBE contractors must be certified by MDOT or other recognized municipalities or minority associations.

FY2010 Operating, Grants, Capital, and Food Services Expenditures

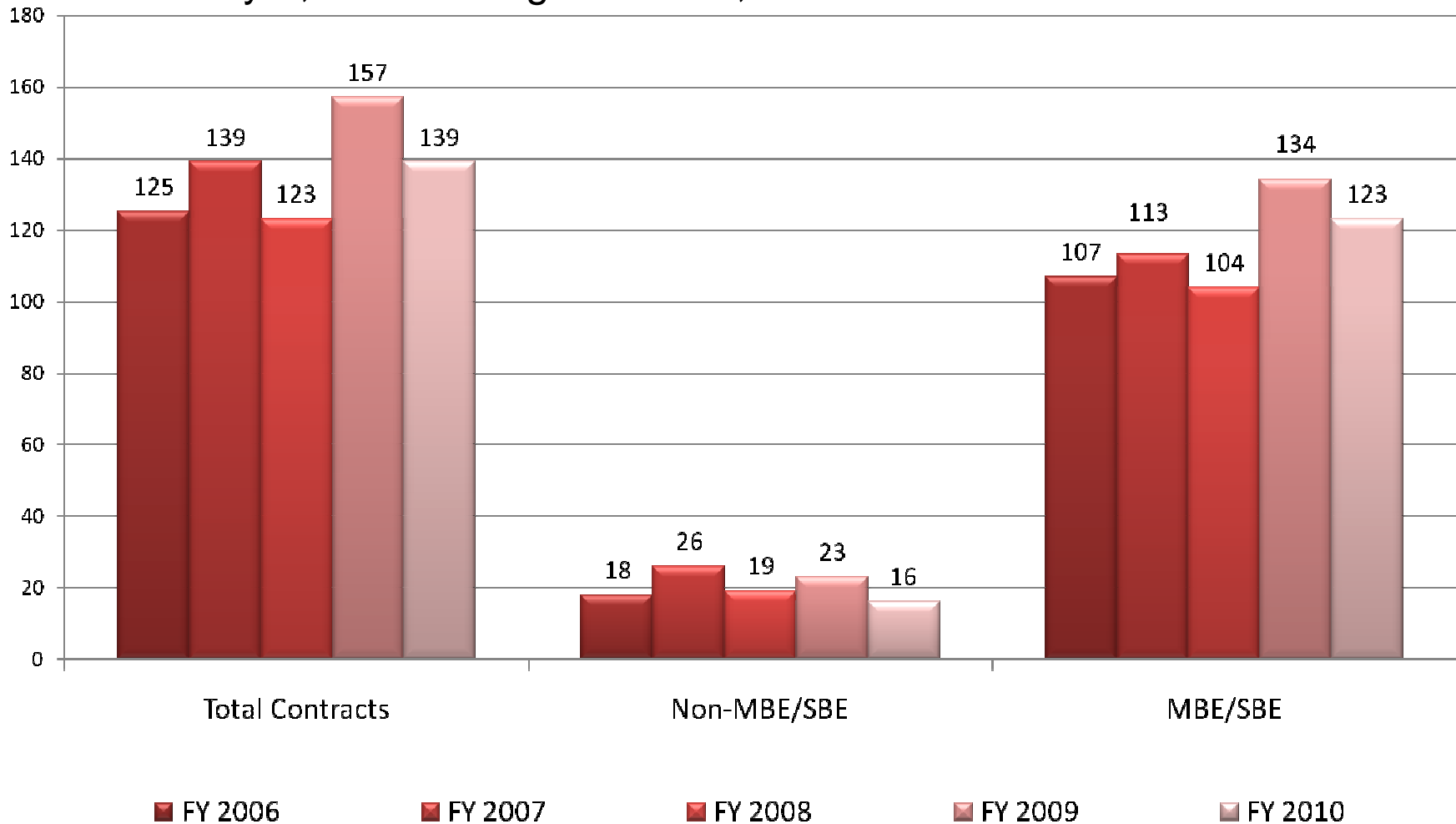
Items Subject to
Competitive
Procurement
Process
17%
\$241 million



Items not Subject to Bid
(Ex: utilities, salaries, benefits,
copyrighted materials [texts],
insurance, rent, maintenance fees)
83%
\$1.43 billion

Annual Reporting Results FY 2006 – FY 2010

Contract Awards that Include MBE/SBE Participation
July 1, 2005 through June 30, 2010

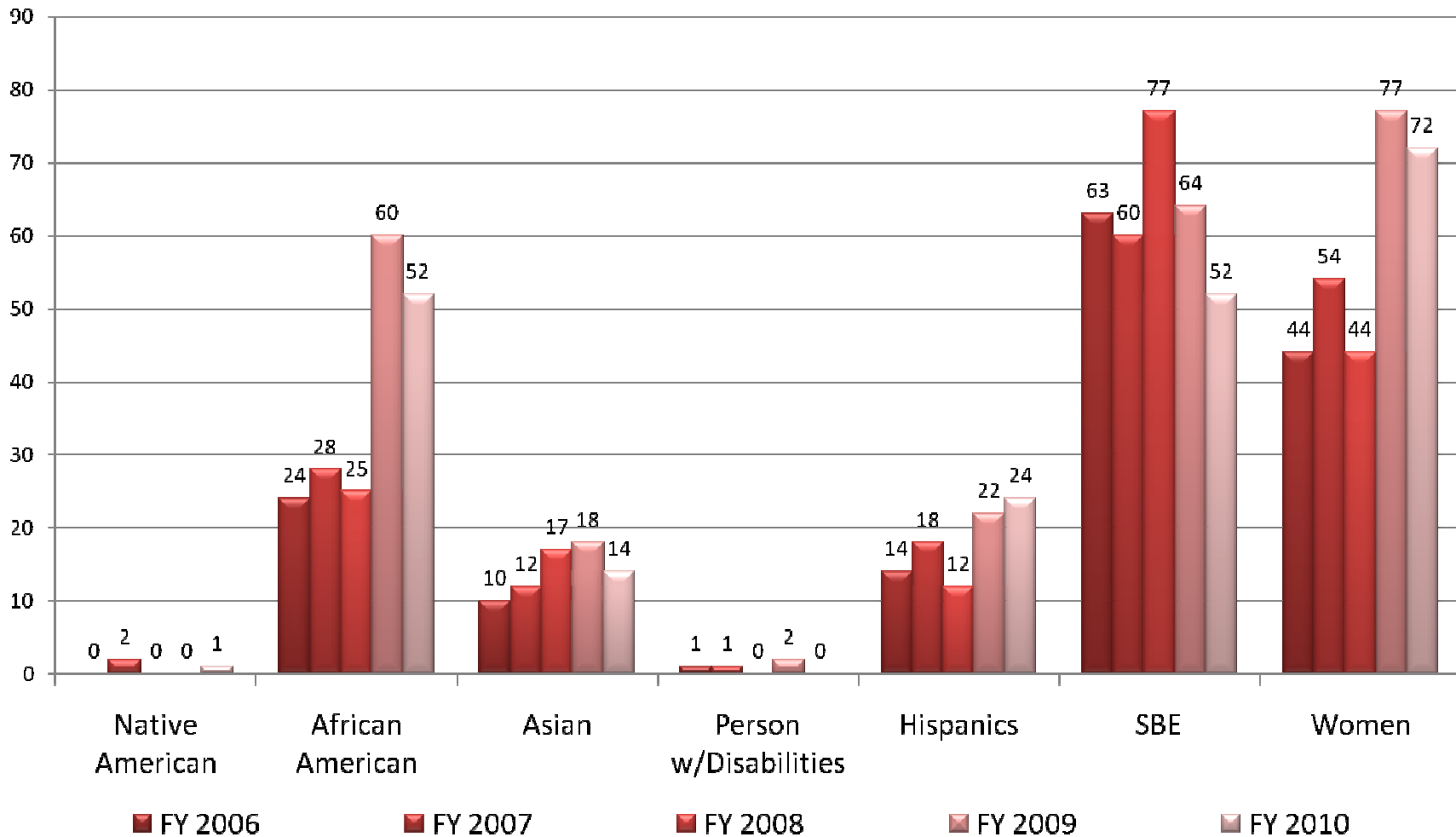


Note: A single contract award may include multiple MBE/SBE subcontracts

Annual Reporting Results

FY 2006 – FY 2010

Contract Awards that Include MBE/SBE Participation
 July 1, 2005 through June 30, 2010

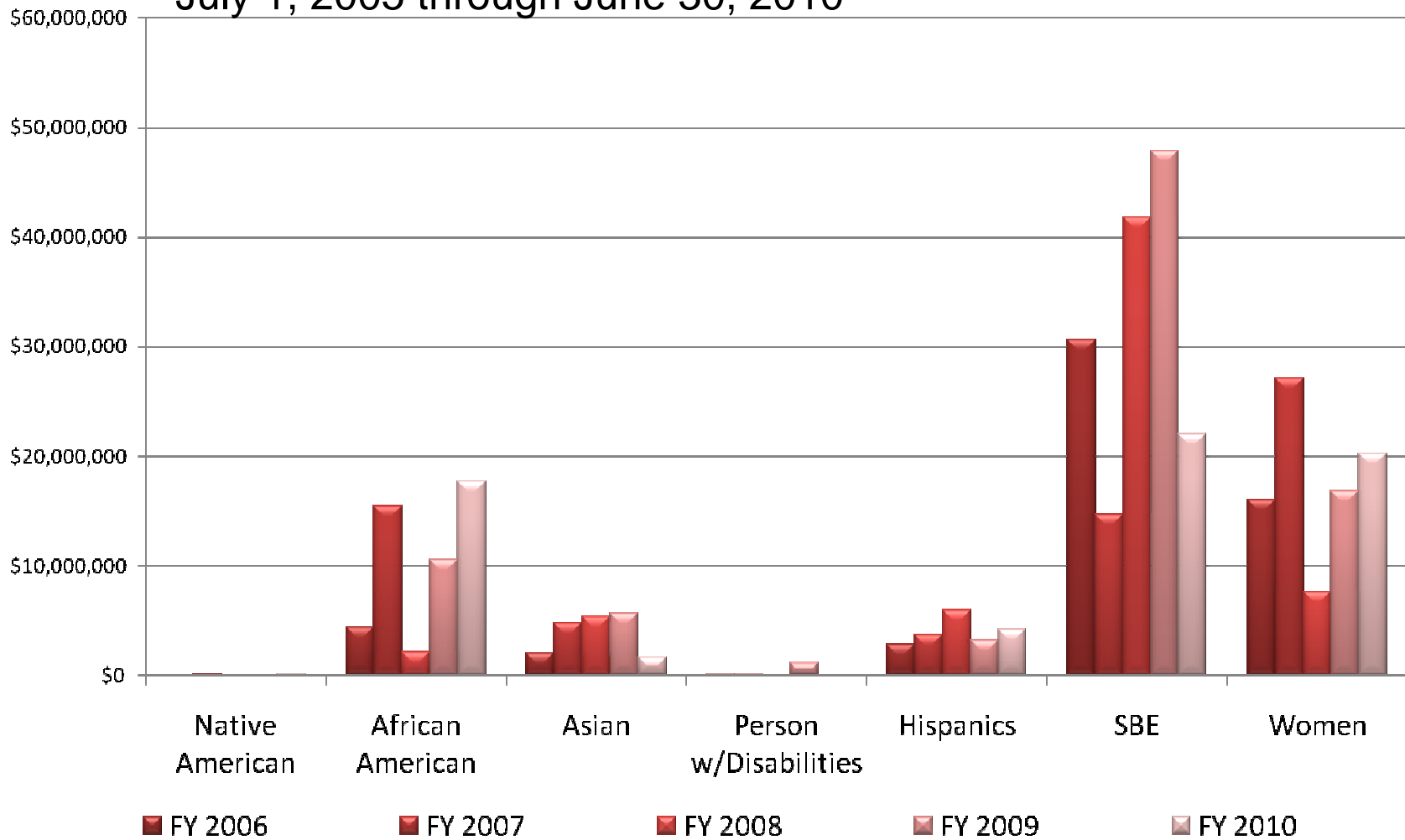


Note: A single contract award may include multiple MBE/SBE subcontracts

Annual Reporting Results

FY 2006 – FY 2010

Dollar Value of Participation that Includes MBE/SBE
 July 1, 2005 through June 30, 2010

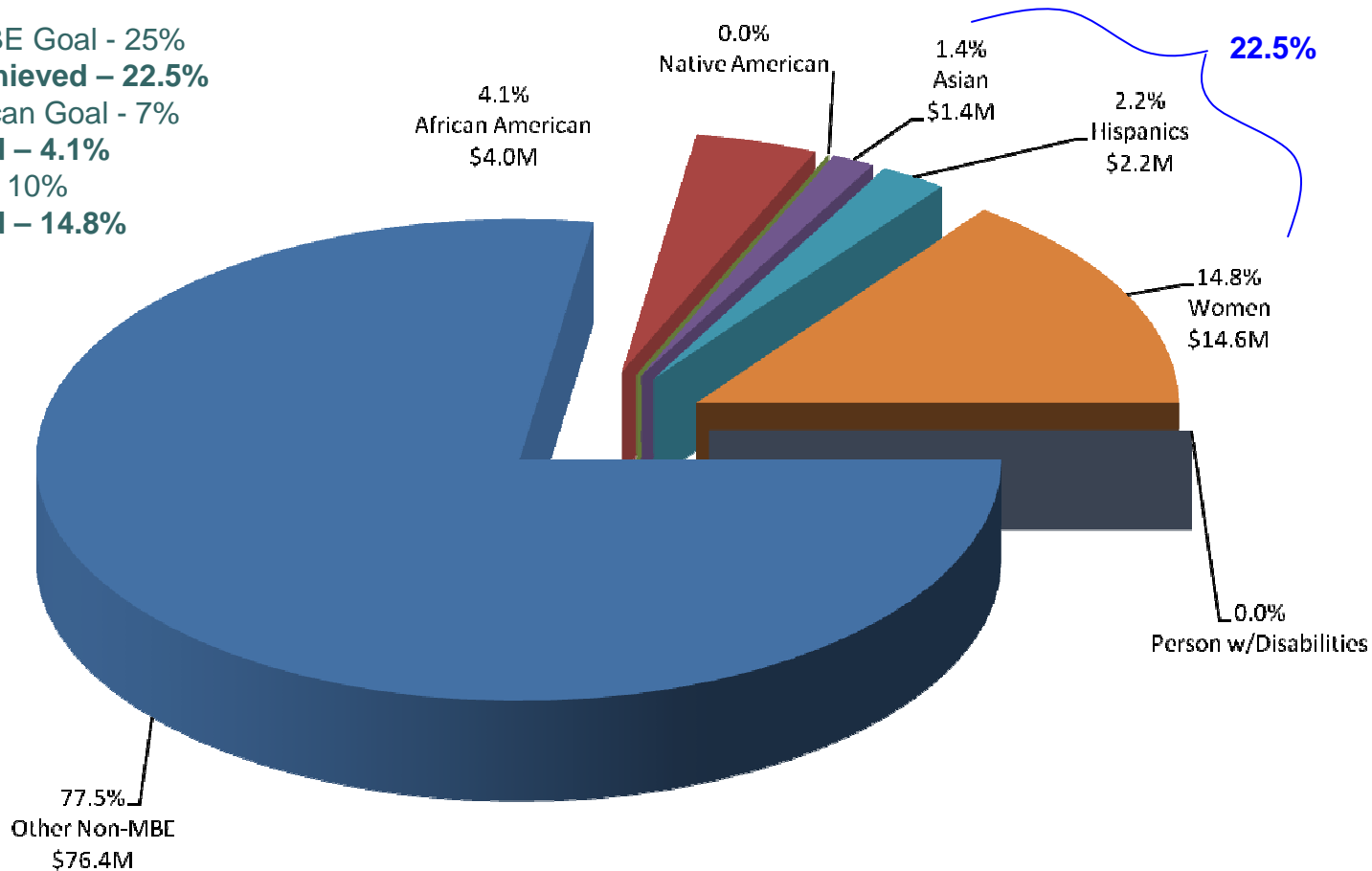


Annual Reporting Results FY 2006

State-Funded Contracts – Total \$98.7 million

MBE Participation for State-Funded Construction Projects by Category July 1, 2005 through June 30, 2006

Total State MBE Goal - 25%
Total Achieved – 22.5%
African-American Goal - 7%
Achieved – 4.1%
Woman Goal - 10%
Achieved – 14.8%

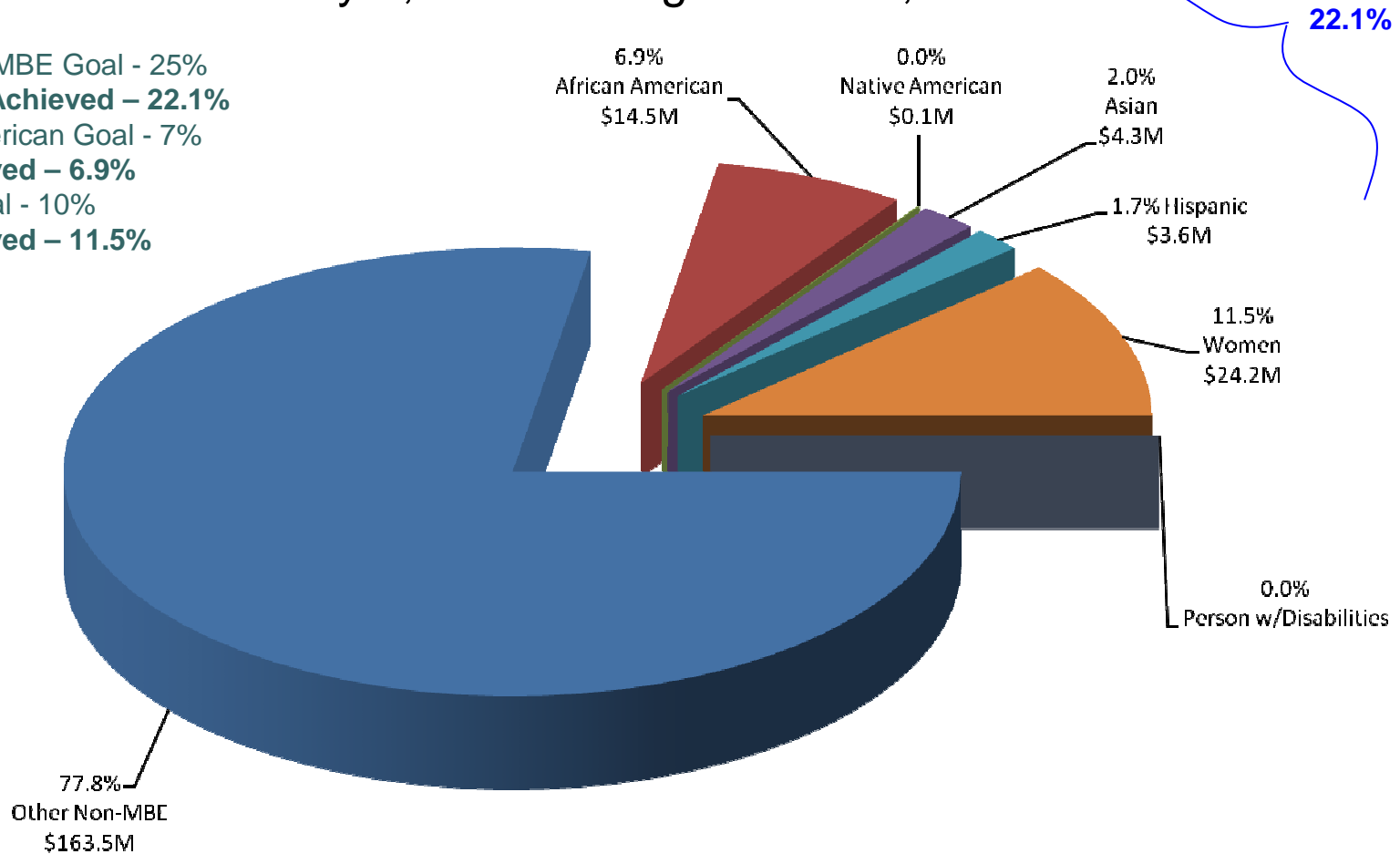


Annual Reporting Results FY 2007

State-Funded Contracts – Total \$210.2 million

MBE Participation for State-Funded Construction Projects by Category July 1, 2006 through June 30, 2007

Total State MBE Goal - 25%
Total Achieved – 22.1%
African-American Goal - 7%
Achieved – 6.9%
Woman Goal - 10%
Achieved – 11.5%

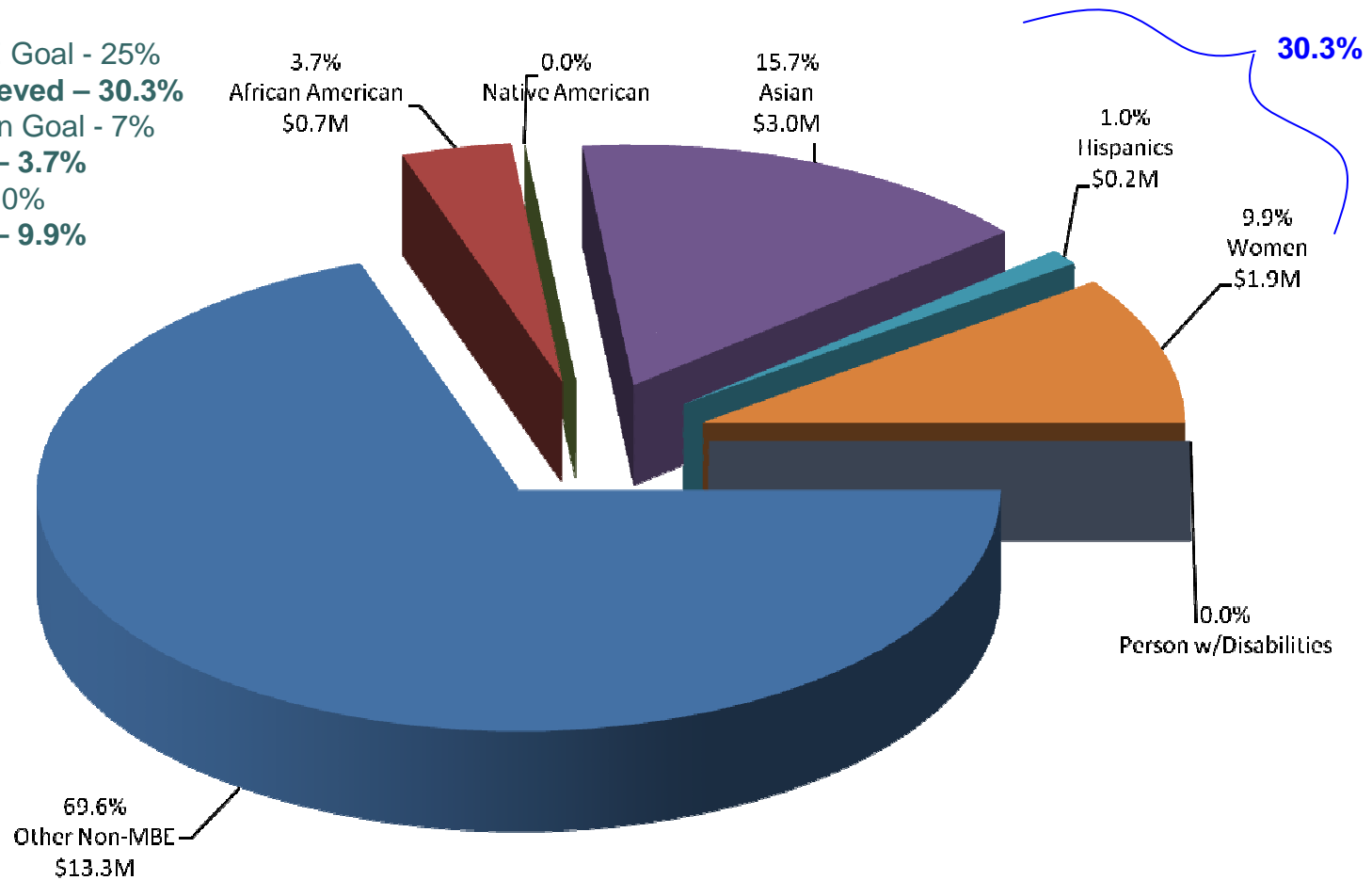


Annual Reporting Results FY 2008

State-Funded Contracts – Total \$19.1 million

MBE Participation for State-Funded Construction Projects by Category July 1, 2007 through June 30, 2008

Total State MBE Goal - 25%
Total Achieved – 30.3%
African-American Goal - 7%
Achieved – 3.7%
Woman Goal - 10%
Achieved – 9.9%

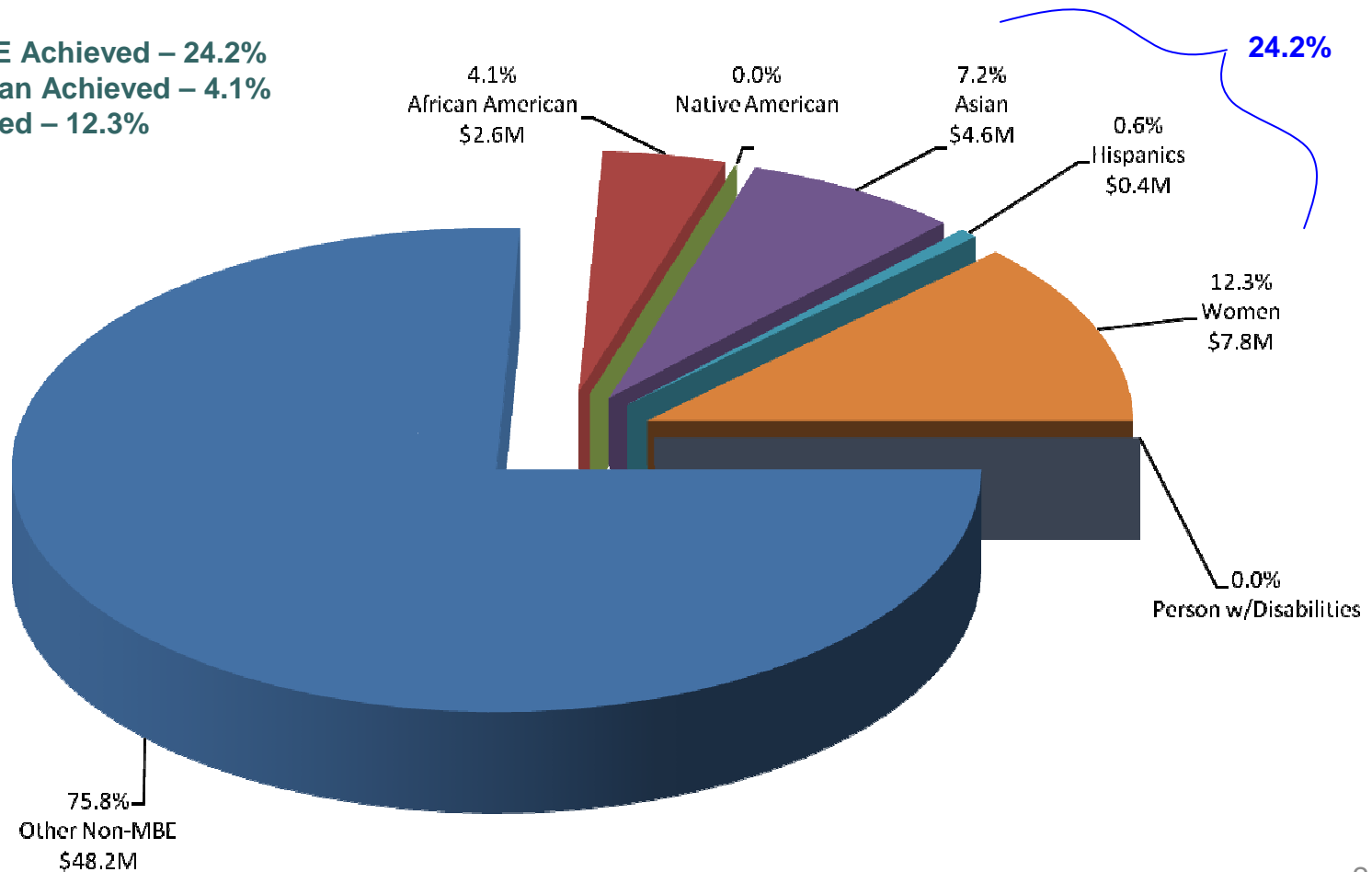


Annual Reporting Results FY 2009

State-Funded Contracts – Total \$63.4 million

MBE Participation for State-Funded Construction Projects by Category July 1, 2008 through June 30, 2009

Total State MBE Achieved – 24.2%
African-American Achieved – 4.1%
Woman Achieved – 12.3%



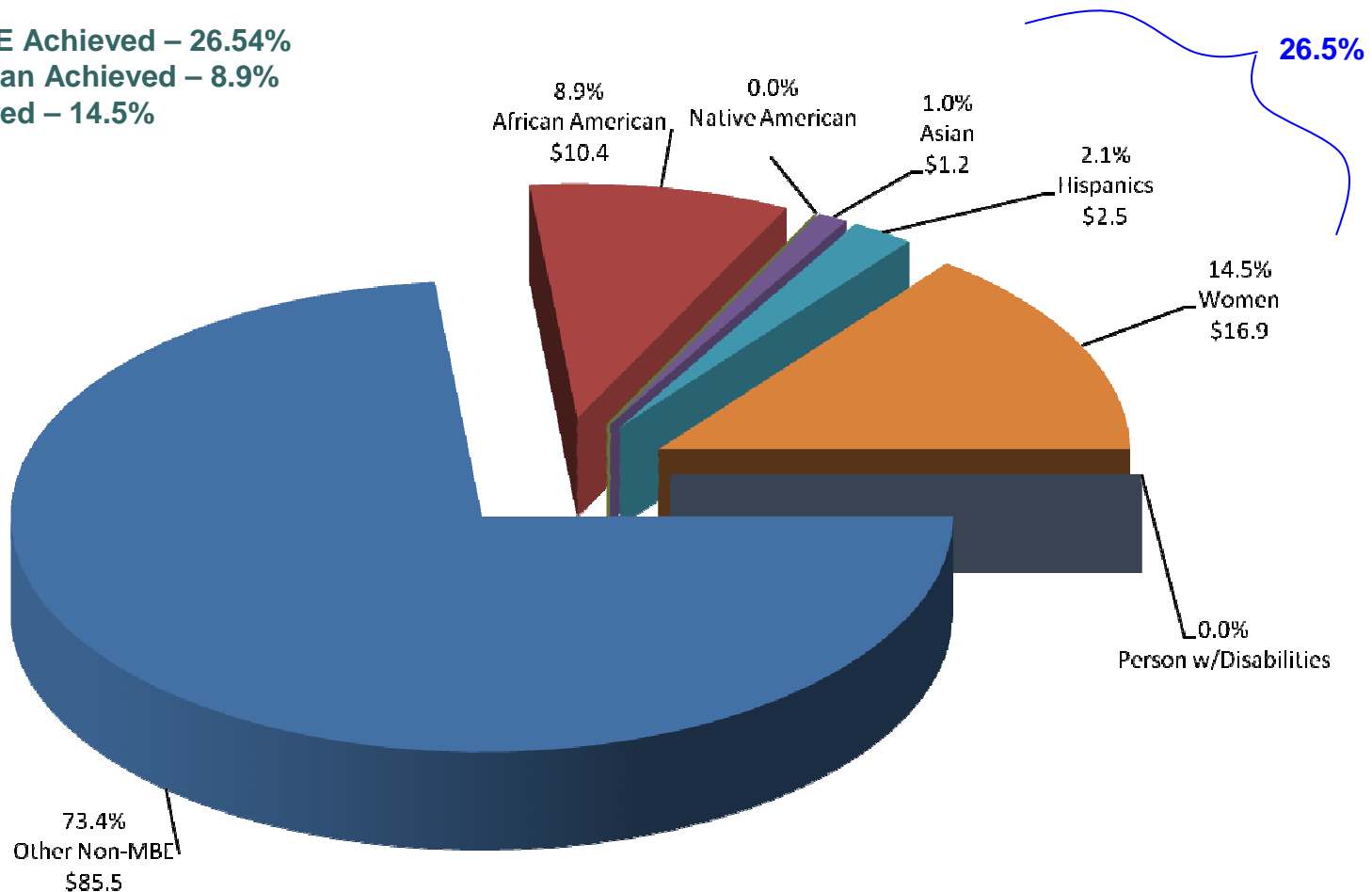
Annual Reporting Results FY 2010

State-Funded Contracts – Total \$116.6 million

MBE Participation for State-Funded Construction Projects by Category

July 1, 2009 through June 30, 2010

Total State MBE Achieved – 26.54%
African-American Achieved – 8.9%
Woman Achieved – 14.5%



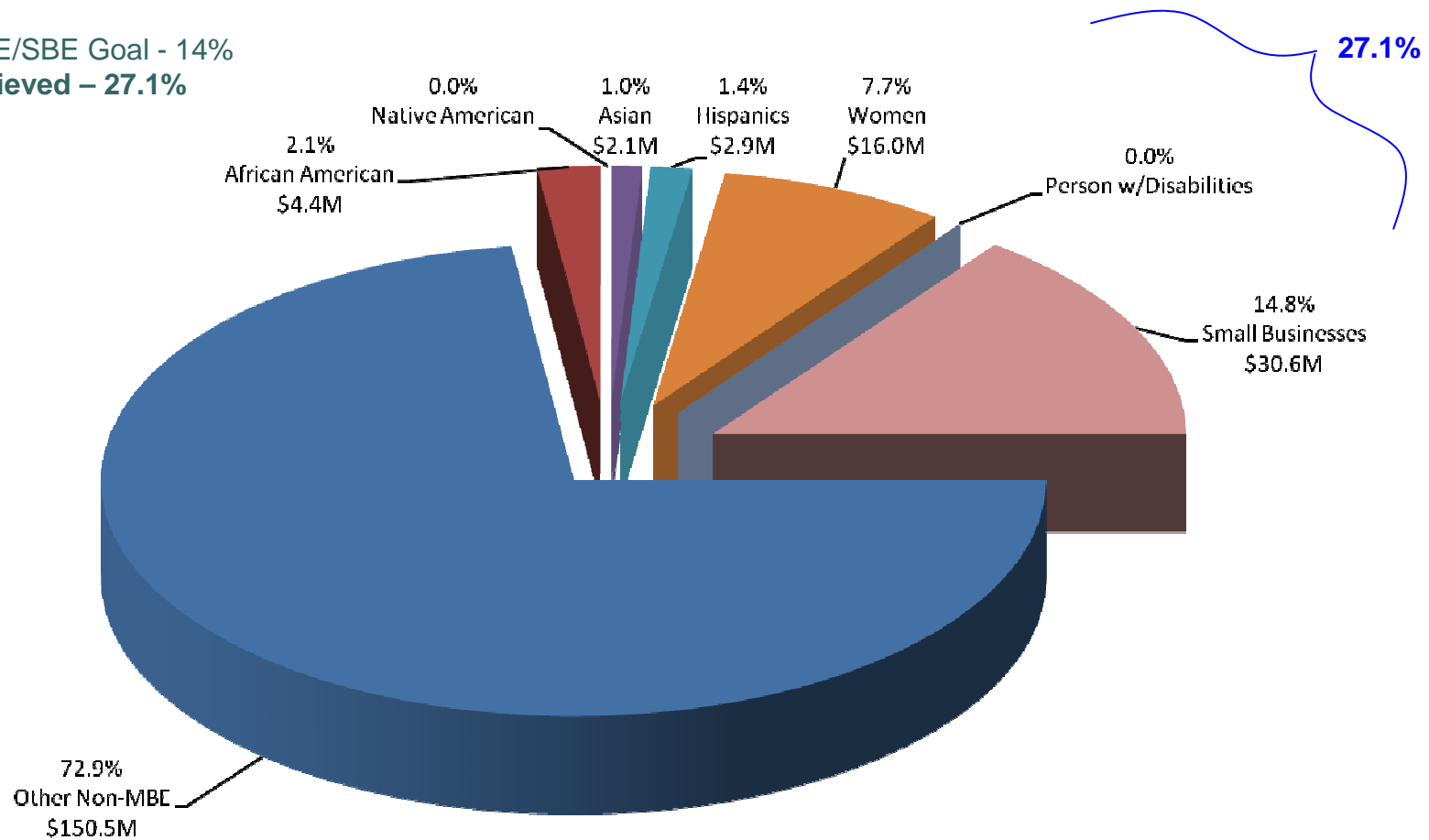
Annual Reporting Results FY 2006

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$206.4 million

July 1, 2005 through June 30, 2006

Board MBE/SBE Goal - 14%
Total Achieved - 27.1%



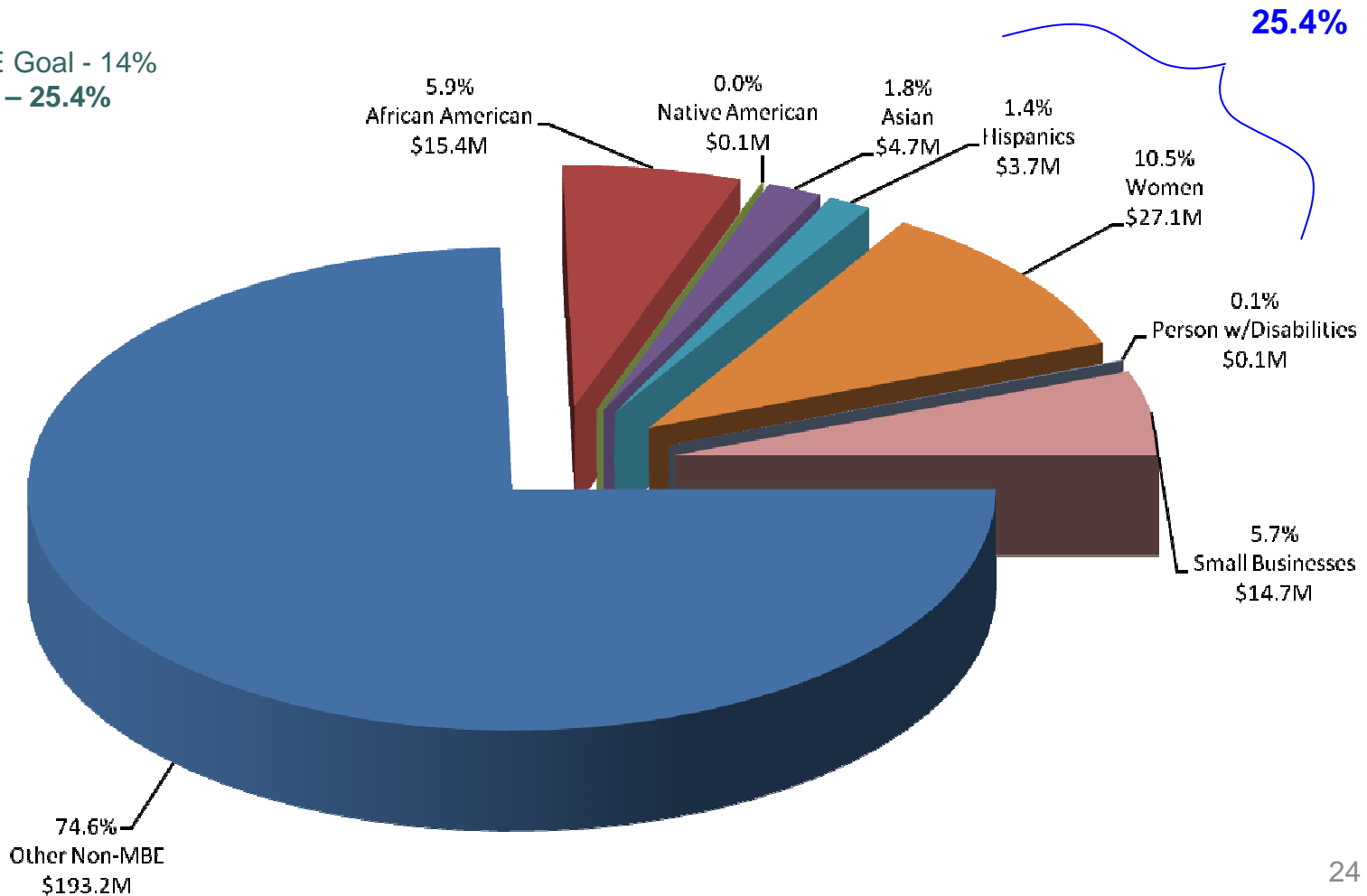
Annual Reporting Results FY 2007

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$258.9 million

July 1, 2006 through June 30, 2007

Board MBE/SBE Goal - 14%
Total Achieved - 25.4%



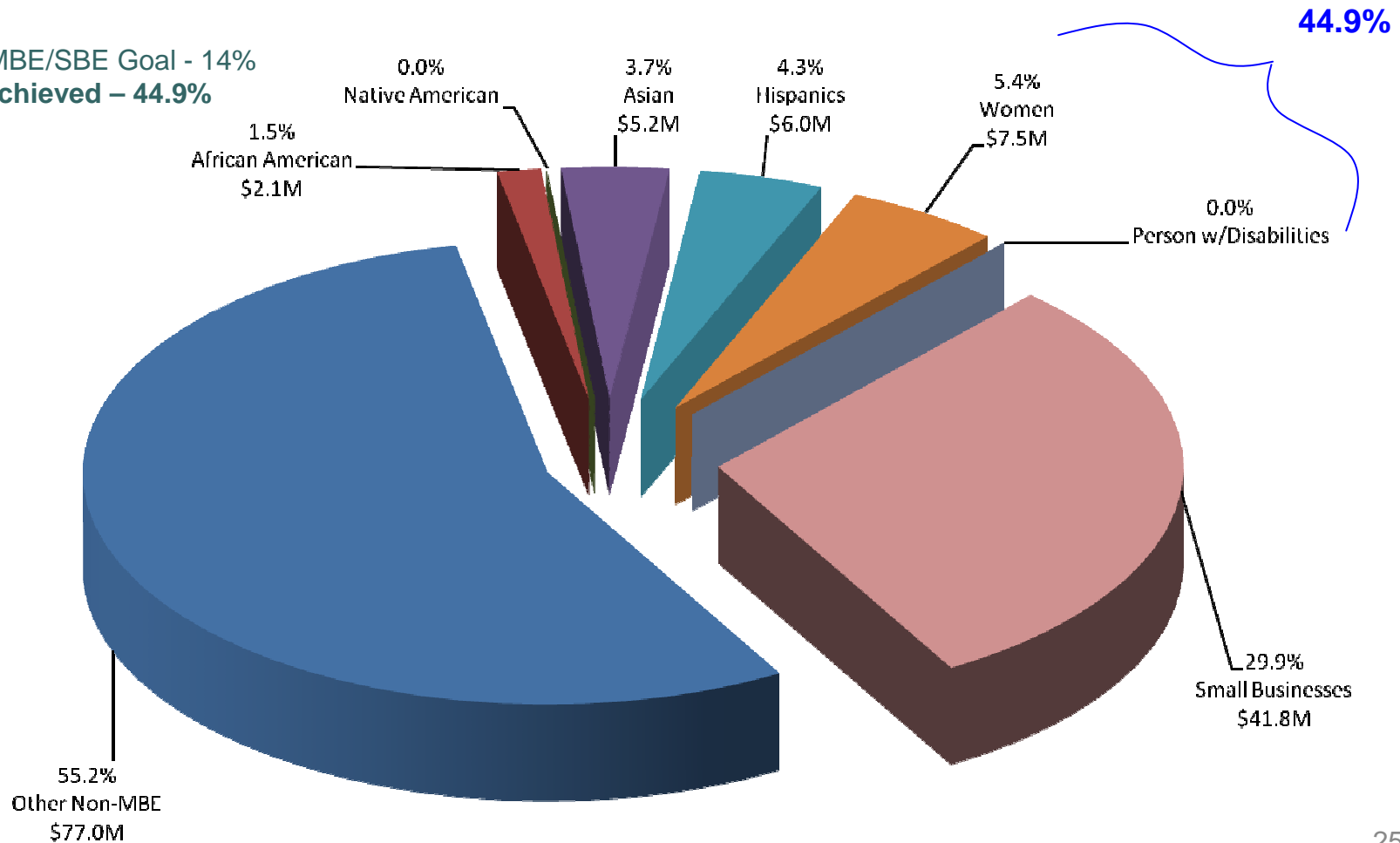
Annual Reporting Results FY 2008

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$139.8 million

July 1, 2007 through June 30, 2008

Board MBE/SBE Goal - 14%
Total Achieved - 44.9%



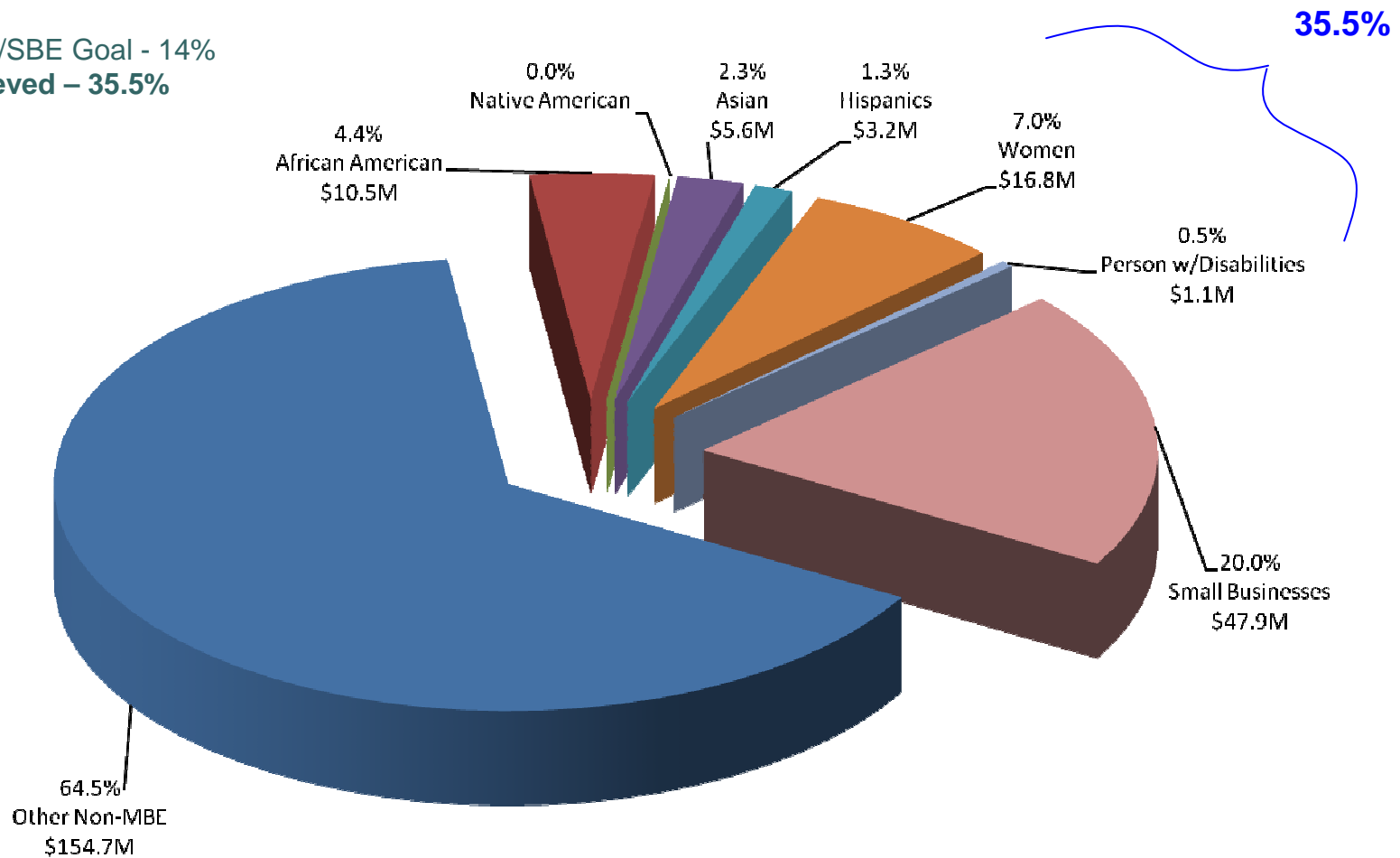
Annual Reporting Results FY 2009

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$239.9 million

July 1, 2008 through June 30, 2009

Board MBE/SBE Goal - 14%
Total Achieved - 35.5%



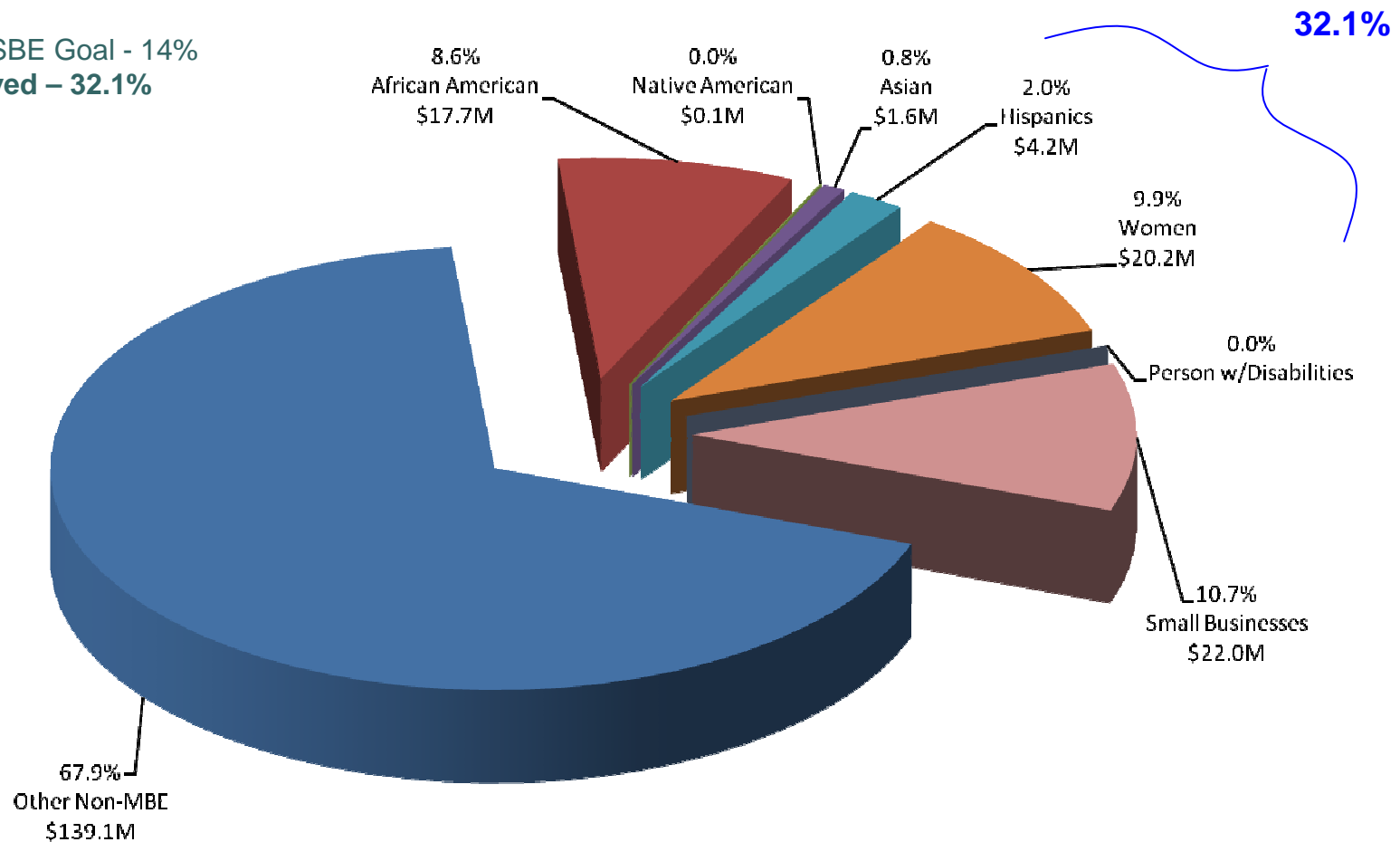
Annual Reporting Results FY 2010

MBE and SBE Participation for all Contracts by Category

Total Contracts - \$205.0 million

July 1, 2009 through June 30, 2010

Board MBE/SBE Goal - 14%
Total Achieved - 32.1%





Reporting to Board of Education

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



New Reporting to State of Maryland

(effective July 2010)

- Monthly report to IAC of *actual payments* to date made to minority firms (includes subcontractors) on state-funded construction projects
- At completion of a project – report on total payments made to minority subcontractors
- For all (non-construction) grants funded with American Recovery and Reinvestment Act funds – monthly report to MSDE of total commitments (e.g., purchase orders issued) to minority firms by grant
- This new data will differ from previous data reported based on award of contracts



MBE Outreach Efforts

The MBE Officer and MBE Outreach Consultant for BCPS have:

- Hosted a *Meet & Greet* for general contractors and MBE subcontractors
- Hosted *MBE School Days* event for MBE subcontractors
- Visited 50+ prime contractors to discuss their participation in the MBE program
- Offered contractors assistance with
 - Identifying MBE subcontractors
 - Sending advertisements to solicit subcontractor bids
 - Completing forms correctly
- Participated in the MSDE workgroup to pilot new reporting procedures for state-funded public school construction projects
- Participated in the MSDE workgroup to define “Good Faith Effort” for waiver requests
- Participated in the *Southern Maryland Regional Purchasing and Procurement Expo*
- Attended a *Blue Book* networking event
- Participated in the *Baltimore Washington Corridor Council Government Procurement Fair*
- Attended the *MWMCA* annual awards breakfast meeting
- Continued the use of Gardens Reprographics automatic bidder notification for construction projects
- Participated in *Baltimore County Procurement Outreach Event*
- Attended *MBE University*