



ANNUAL REPORT

FY2013



Martin O'Malley
Governor



Anthony Brown
Lt. Governor



Zenita Wickham Hurley
Special Secretary



FY2013 Annual Report

Table of Contents

Message from Governor O'Malley.....	2
Message from Special Secretary Hurley	3
GOMA's Role.....	4
Outreach Programs	5
Key Policy Highlights	6
The MBE Program	7
Analysis of MBE Awards.....	8
Overall Goal.....	8
State Agency Procurement.....	8
Specialized Procurement Reporting	10
Awards by Procurement Category.....	11
Awards by Classification.....	13
Performance Relative to Prime Contracting	14
Performance Relative to Subgoals.....	14
Waiver Activity	15
Analysis of MBE Payments.....	16
Economic Impact of the MBE Program	19
The SBR Program.....	20
MBE Compliance of VLT Facilities	23
Utilization of Minority- and Women-owned Brokerage and Investment Management Firms.....	24
Legislative Highlights.....	25
Future Outlook.....	27



Message from Governor O'Malley

Dear Friends:

I am pleased to present the FY2013 Annual Report for the Minority Business Enterprise (MBE) Program. Expanding opportunities for all Marylanders has been a guiding principle of the O'Malley-Brown Administration and the choices we've made as a State have led to real results. Maryland is ranked among the top states for upward mobility by the Pew Center and our MBE Program is a national model for minority inclusion.

As we continue to fight discrimination within the State's marketplace, we are modernizing the MBE Program through legislative and policy enhancements. We took a bold step in 2013 by transitioning nonprofit organizations to a statewide procurement preference program that is better suited for their unique needs. This action places the focus on our for-profit businesses and increases opportunities for small, minority- and women-owned firms to win prime and subcontracting work on state-funded contracts.

We did not stop there. In fact, we are raising the bar. Effective in FY2014, we increased the overall statewide MBE goal to 29% and have instituted two executive policy changes designed to help us reach this new benchmark. First, I have directed the Governor's Office of Minority Affairs (GOMA) to review MBE goals on all statewide contracts and all contracts expected to exceed \$25 million. This will help ensure that our 70 participating agencies and departments have identified all MBE opportunities at the onset of the procurement process. GOMA is also now posting agency fiscal year forecasting reports on its website. These reports are very useful in helping MBEs identify which agencies buy what they sell while providing them with time to effectively compete for state-funded contracting opportunities.

Diversity is one of our greatest strengths and our MBE Program is a source of great pride. I believe the efforts we have made over the past seven years to strengthen this vital program will serve us all well as we continue to fight against discrimination within the State's marketplace.

Sincerely,

A handwritten signature in black ink that reads "Martin O'Malley". The signature is written in a cursive, flowing style.

Martin O'Malley
Governor

Message from Special Secretary Hurley



Dear Friends:

Maryland is recognized as a national leader in small business development and minority inclusion business practices – a reputation that I believe is well-deserved. In my role as Special Secretary, I witness the commitment of our stakeholder community on a daily basis. Together, we are working to support entrepreneurship and eliminate discrimination by providing opportunities for small, minority- and women-owned firms to perform on state-funded contracts.

Diversity remains one of Maryland’s greatest assets and the fruits of our labor are measured on the pages of this Annual Report. What the data cannot show is the passion behind the people who make it all work. Maryland’s MBE community is undeniably rich. You’ll find our stakeholders across all levels of government, throughout the private-sector community, inside our many resource groups and within the professional associations that support small, minority and women business owners. Their voices and actions help to shape our program and ensure that it continues moving toward our goal of equality within the public contracting arena.

I am excited about what the future holds for our MBE Program and I invite you to be part of our journey.

Sincerely,

A handwritten signature in blue ink that reads "Zenita Wickham Hurley". The signature is fluid and cursive, written over a light blue circular watermark.

Zenita Wickham Hurley
Special Secretary



FY2013 Annual Report

GOMA's Role

The Governor's Office of Minority Affairs (GOMA) administers and monitors the performance of small and disadvantaged business inclusion efforts at the State level. Part of the Executive Department, GOMA's Special Secretary serves as an advisor to the Governor on key issues affecting small, minority- and women-owned firms seeking to do business with the State of Maryland. We have direct oversight of the Minority Business Enterprise (MBE) Program and jointly administer the Small Business Reserve (SBR) Program in collaboration with the Department of General Services (DGS). We also monitor the inclusion of minority businesses in State investment and brokerage services as well as Video Lottery Terminal construction and ongoing facility operations. Our role has recently expanded to include implementing and monitoring minority business inclusion on public private partnerships such as the Purple Line Project and the offshore wind energy project both currently underway.

GOMA is also responsible for developing and implementing policies and procedures aimed at increasing minority business participation in state-funded contracting through advocacy, compliance, legislation and policy. In support of this role, we conduct a statewide outreach program to engage stakeholders, build awareness of the State's small and minority business inclusion programs and connect businesses to resources that can help them compete as both prime contractors and subcontractors.

- **Advocacy** - GOMA promotes fairness and compliance in the MBE and SBR programs and serves as the state's primary advocate for small, minority- and women-owned businesses. Every state agency employs an MBE Liaison responsible for administering the MBE Program within that agency. Each MBE Liaison reviews their respective agency's contracting procedures to ensure compliance with MBE best practices and submits monthly and annual MBE utilization reports to GOMA. MBE Liaisons also coordinate agency outreach efforts to the minority business community and assist MBEs in resolving any issues that may arise while performing on a state-funded contract. In 2009, GOMA established a fraud hotline to give the business community a venue for reporting potential violations of the MBE Program. A call to the hotline (410-767-3582) will trigger an investigation.
- **Compliance** - GOMA's compliance unit works vigorously to provide statewide oversight of the implementation of the MBE & SBR programs at the agency level. In this role, GOMA develops policy guidance to assist agencies in administering all aspects of the MBE Program, including goal-setting, contract compliance, reporting, and dispute resolution. GOMA produces a number of reports documenting MBE and SBR utilization within state procurement as well as other efforts targeted toward the inclusion of small and disadvantaged businesses in state-funded or regulated activities. These reports are available at www.goma.maryland.gov.
- **Legislation & Policy** - The legislation and policies governing our MBE Program are continuously evolving to ensure that the program remains fair, flexible and constitutional. GOMA's legislative staff members play a key role in the community and regularly engage stakeholders in issues impacting both the MBE and SBR programs. Visit the Legislation & Policy page of GOMA's website at www.goma.maryland.gov often to track changes to these programs.

- **Outreach** – GOMA staff members regularly participate as keynote speakers, subject-matter experts and exhibitors at conferences, workshops, seminars, resource fairs and trade shows across the state to help small business owners understand how to do business with the State of Maryland. The agency also produces a resource publication in collaboration with *The Daily Record* newspaper and maintains a robust website featuring a wide array of small business resources. Learn more about our comprehensive outreach programs and online resources at www.goma.maryland.gov.

Outreach Programs

Small and minority business inclusion is a core priority in Maryland and GOMA takes the lead in promoting our resources and programs to stakeholders across the State. GOMA team members participated in over 50 outreach events in FY2013, reaching more than 8,000 individuals. The MBE University Conference¹ is Maryland's premiere educational and business development event for small, minority- and women-owned businesses. Founded by the O'Malley-Brown Administration in 2009, it has become a gathering place for stakeholders who value diversity in both the public and private sectors. The full-day conference format features group sessions and a broad selection of small group workshops on topics relevant in today's highly competitive markets. Participants have the opportunity to meet with buyers at the popular one-on-one matchmaking appointments and can meet face-to-face with procurement officials in the expo hall. GOMA hosts two MBE University Conferences annually, drawing nearly 3,000 participants. However, the conferences alone cannot meet the growing need for continuing professional education within our diverse communities. As a result, we are expanding the overall brand to include smaller, regional classes and more matchmaking opportunities in an effort to put business owners in the room with professional resources that can help enhance their overall businesses skills and build prosperous relationships.



“This is a must-attend event for aspiring and established businesses. Having access to decision-makers, peers, administrators and like-minded people really is a foundation for anyone to build upon, regardless of your business concentration.”

- Al Blocker, OxMeadow LLC

GOMA's outreach program includes a robust website and growing engagement on social media platforms. Our website connects visitors to program information, provides updates to legislative and policy issues impacting the MBE & SBR programs, lists upcoming events, and offers a wide array of business resources. We recently added an annual forecasting tab to help small and disadvantaged businesses determine which agencies buy what they sell and with what frequency. We are also reaching business owners through Facebook, Twitter, YouTube, Google+ and Flickr. These mediums have already proven to be effective in reaching a broad audience of business owners in Maryland and beyond. Our most recent initiative is an online video series featuring successful entrepreneurs. We plan to add a blog in the future.

¹ The MBE University Conference is not a postsecondary educational program or course.

Key Policy Highlights

In 2013 the O'Malley-Brown Administration expanded opportunities for minority participation on State-funded contracts by increasing Maryland's aspirational MBE Goal from 25% to 29% for Fiscal Years 2014 and 2015. This action follows legislation passed by the Maryland General Assembly in 2012, which authorized GOMA, in consultation with the Maryland Department of Transportation (MDOT) and the Office of the Attorney General (OAG), to set the overall aspirational goal every two years. GOMA proposed the increase after considering several factors prescribed by law such as the relative availability of minority- and women-owned businesses as demonstrated by the State's most recent Disparity Study and the past participation of MBEs in state procurement.

The O'Malley-Brown Administration has enhanced Maryland's MBE Program by regularly reviewing and strengthening the legislation and policies governing the program. In 2013, the Maryland General Assembly passed 2013 Laws of Maryland, Ch. Nos. 343 and 605, which enhances the existing procurement preference programs for specified nonprofit entities and requires annual reports and forecasting to and from DGS on nonprofit contracting activity with the State. The bill also transitions nonprofit organizations that promote the interests of physically and mentally disabled individuals from the MBE Program and exempts certain procurements with nonprofits from MBE requirements. The bill took effect on July 1, 2013 and was applied prospectively to contracts awarded after that date. Provisions related to the departure of nonprofit entities from the MBE Program take effect on July 1, 2015. The Maryland Department of Disabilities (MDOD) must evaluate the bill's effect on the participation of nonprofits in State procurement and issue a final report by December 1, 2016.

Also in 2013, 2013 Laws of Maryland, Ch. No. 200 was signed into law. That bill requires GOMA, in consultation with MDOT and the OAG, to establish guidelines for each procurement unit to use when determining the appropriate MBE participation goals for State-funded contracts. It also extends the termination/sunset date of the MBE Program by one year, until July 1, 2017, while deferring the completion date of a new disparity study by one year, to September 30, 2016.



The MBE Program

Maryland's Minority Business Enterprise (MBE) Program was established in 1978 to remedy discrimination by increasing procurement opportunities for minority- and woman-owned firms within the State contracting marketplace. Maryland's MBE Program is governed by State statutes as set forth in Section 14-301, et seq. of the State Finance and Procurement Article (2009 Repl. Vol., 2013 Supp) ("SFP") Md. Code Ann. Maryland's program is nationally-recognized as one of the most progressive minority business inclusion programs in the country, requiring 70 State agencies and departments to structure their procurements toward achieving an aspirational statewide goal of 25% for FY2013. Oversight of the MBE Program rests with GOMA.

While certification is not required for small, minority- and women-owned firms to do business with the State of Maryland, only the work of certified MBEs can be counted toward meeting MBE participation goals. The Office of Minority Business Enterprise (OMBE), a division of MDOT, is the State's official certification agency. OMBE manages initial certification, renewals, expansion of services requests and interstate certification. OMBE also maintains the online directory of certified firms which is available to the public and is utilized in both the public and private sectors. Learn more about certification by visiting the Minority/Disadvantaged Business Enterprise tab at www.mdot.maryland.gov.

Key MBE Program Measurements

Maryland continues to make steady strides in its efforts to connect small, minority- and women-owned businesses to State contracting and procurement opportunities. Key accomplishments of the MBE Program over the past fiscal year include:

- 24.4% overall MBE participation
- \$1.7 billion in State procurement and contracts awarded to certified MBE firms
- \$1.8 billion paid to certified MBE firms
- 5,852 firms certified as MBEs (as of June 31, 2013)
- 581 new firms granted MBE certification
- Created and/or retained 26,796 jobs
- Maryland received \$1.60 of economic impact for every dollar invested into the MBE Program

Under the O'Malley-Brown Administration, the MBE Program has experienced significant growth. Key accomplishments over the past seven years include:

- Awards to certified MBE firms have increased by 54.5% from \$1.1 billion in FY2007 to \$1.7 billion in FY2013
- Payments to MBE firms have increased by 138% from \$752 million in FY2007 to \$1.8 billion in FY2013
- Jobs (direct and secondary) have increased 44% from 18,639 in FY2008 to 26,796 in FY2013
- Local and state tax revenue has increased 111% from \$41.1 million in FY2008 to \$88.9 million in FY2013
- Economic activity generated from the MBE Program has increased 58% from \$1.8 billion in FY2008 to \$2.8 billion in FY2013

Analysis of MBE Awards

Overall Goal

The aspirational goal of Maryland’s MBE Program was set at 25% in 2001 and remains among the highest overall statewide goals in the country. In FY 2013, we achieved 24.4% participation, the second highest performance in the program’s history as illustrated in Exhibit 1.

Exhibit 1: Overall MBE Participation - Fiscal Years 2007-2013



State Agency Procurement

The overall statewide MBE participation goal is achieved through the combined efforts of 70 procurement agencies and departments. Exhibit 2 provides statistical detail of the participation of each individual agency and department.

Exhibit 2: Awards by State Procurement Agency/Department – FY2013

State Procurement Agency/Department	Total Prime MBE Awards	Total MBE Awards	FY13 MBE Participation
AGING	\$680,876	\$686,376	33.85%
AGRICULTURE	\$269,741	\$269,741	5.52%
ARCHIVES	\$417,584	\$417,584	52.20%
ASSESSMENTS & TAXATION	\$442,000	\$442,000	54.02%
ATTORNEY GENERAL'S OFFICE	\$286,258	\$297,026	23.85%
AUTOMOBILE INSURANCE FUND	\$189,056	\$189,056	54.59%
AVIATION	\$1,457,468	\$51,689,520	22.48%
BALTIMORE CITY COMMUNITY COLLEGE	\$1,156,635	\$1,184,422	14.25%
BOWIE STATE UNIVERSITY	\$1,405,089	\$2,474,240	21.61%
BUDGET & MANAGEMENT	\$1,481,753	\$7,997,185	2.51%
BUSINESS & ECONOMIC DEVELOPMENT	\$13,240,798	\$13,652,528	79.86%
CANAL PLACE PRESERVATION	\$18,601	\$18,601	7.77%
COMPTROLLER	\$2,444,243	\$2,950,601	19.38%
COPPIN STATE UNIVERSITY	\$1,180,982	\$2,693,560	21.80%
DEAF, SCHOOL OF	\$56,945	\$56,945	3.89%
EDUCATION	\$4,148,848	\$12,637,192	16.03%
ELECTIONS	\$457,181	\$457,181	36.03%
ENVIRONMENT	\$1,009,612	\$1,154,422	16.92%
ENVIRONMENTAL SERVICES	\$6,712,800	\$8,529,710	7.33%

State Procurement Agency/Department	Total Prime MBE Awards	Total MBE Awards	FY13 MBE Participation
EXECUTIVE DEPARTMENT	\$551,672	\$1,055,132	15.81%
FOOD CENTER AUTHORITY	\$310,690	\$349,127	29.66%
FROSTBURG STATE UNIVERSITY	\$532,889	\$2,098,208	14.19%
GENERAL SERVICES	\$8,829,283	\$29,221,818	18.55%
HEALTH & MENTAL HYGIENE	\$622,889,608	\$630,327,228	56.47%
HIGHER EDUCATION COMMISSION	\$37,240	\$37,240	5.19%
HOUSING & COMMUNITY DEVELOPMENT	\$1,636,556	\$3,979,375	30.53%
HUMAN RELATIONS COMMISSION	\$6,358	\$6,358	6.79%
HUMAN RESOURCES	\$48,631,632	\$59,901,162	13.48%
INFORMATION TECHNOLOGY	\$6,808,955	\$9,802,461	13.75%
INSURANCE ADMINISTRATION	\$13,748	\$265,748	5.82%
JUVENILE SERVICES	\$5,342,567	\$5,750,861	8.65%
LABOR, LICENSING & REGULATION	\$2,397,789	\$9,995,466	18.36%
LOTTERY	\$544,550	\$2,671,175	14.88%
MILITARY	\$111,164	\$118,296	3.60%
MORGAN STATE UNIVERSITY	\$902,223	\$23,955,300	27.34%
MOTOR VEHICLE	\$35,464,437	\$44,493,958	70.78%
NATURAL RESOURCES	\$810,951	\$819,336	5.42%
OFFICE OF THE SECRETARY	\$2,771,764	\$5,701,211	22.58%
PEOPLE'S COUNSEL	\$38,247	\$38,247	4.48%
PLANNING	\$28,377	\$28,377	4.69%
POLICE	\$1,210,124	\$3,005,134	10.37%
PORT	\$933,664	\$11,179,081	11.69%
PROSECUTOR'S OFFICE	\$0	\$0	0.00%
PUBLIC DEFENDER'S OFFICE	\$636,052	\$797,476	9.67%
PUBLIC SAFETY & CORRECTIONS	\$59,419,323	\$74,868,507	41.33%
PUBLIC SCHOOL CONSTUCTION	\$39,354,668	\$135,501,722	30.98%
PUBLIC SERVICE COMMISSION	\$216,315	\$216,315	41.67%
PUBLIC TELEVISION	\$151,103	\$151,103	3.20%
PUBLIC WORKS	\$1,733	\$1,733	0.97%
RETIREMENT	\$300,869	\$300,869	39.01%
SAINT MARY'S COLLEGE	\$409,530	\$600,873	4.19%
SALISBURY STATE UNIVERSITY	\$1,386,853	\$1,627,593	24.58%
STADIUM AUTHORITY	\$14,226,202	\$15,192,299	62.20%
STATE HIGHWAY	\$49,791,795	\$117,274,424	16.54%
SUBSEQUENT INJURY FUND & UNISURED	\$3,019	\$5,714	4.23%
TAX COURT	\$4,848	\$4,848	20.49%
TOWSON UNIVERSITY	\$2,525,177	\$8,793,111	17.11%
TRANSIT	\$39,166,589	\$139,112,955	11.29%
TRANSPORTATION AUTHORITY	\$13,551,184	\$50,534,167	28.37%
TREASURER'S OFFICE	\$15,220	\$119,320	9.99%
UNIVERSITY OF BALTIMORE	\$909,021	\$1,357,765	12.23%
UNIVERSITY OF MARYLAND, BALTIMORE	\$3,094,429	\$87,982,598	22.82%
UNIVERSITY OF MARYLAND, BALTIMORE COUNTY	\$2,136,782	\$7,510,202	15.05%
UNIVERSITY OF MARYLAND, COLLEGE PARK	\$13,281,682	\$63,208,997	18.79%
UNIVERSITY OF MARYLAND, EASTERN SHORE	\$1,859,674	\$2,194,879	9.07%
UNIVERSITY OF MARYLAND, UNIVERSITY COLLEGE	\$2,458,740	\$15,167,314	15.94%
WORKER'S COMPENSATION	\$66,514	\$105,651	11.98%
TOTAL	\$943,755,401	\$1,675,228,624	24.38%

Specialized Procurement Reporting

Measuring performance has been a guiding management principal of the O'Malley-Brown Administration. Both cabinet-level procurement agencies and departments as well as StateStat reporting procurement agencies and departments come under the most rigorous accountability including analysis of minority inclusion. Performance for FY2013 is illustrated in Exhibits 3 and 4.

Exhibit 3: Awards by State Cabinet Procurement Agencies & Departments – FY2013

State Cabinet Procurement Agency/Department	Total MBE Awards	Total All Awards	MBE Participation
AGING	\$686,376	\$2,027,692	33.85%
AGRICULTURE	\$269,741	\$4,884,721	5.52%
AVIATION	\$51,689,520	\$229,929,051	22.48%
BUDGET & MANAGEMENT	\$7,997,185	\$319,158,202	2.51%
EDUCATION	\$12,637,192	\$78,846,826	16.03%
ENVIRONMENT	\$1,154,422	\$6,822,980	16.92%
EXECUTIVE DEPARTMENT	\$1,055,132	\$6,672,358	15.81%
GENERAL SERVICES	\$29,221,818	\$157,542,921	18.55%
HEALTH & MENTAL HYGIENE	\$630,327,228	\$1,116,174,123	56.47%
HIGHER EDUCATION COMMISSION	\$37,240	\$717,607	5.19%
HOUSING & COMMUNITY DEVELOPMENT	\$3,979,375	\$13,034,724	30.53%
HUMAN RESOURCES	\$59,901,162	\$444,246,082	13.48%
INFORMATION TECHNOLOGY	\$9,802,461	\$71,277,421	13.75%
JUVENILE SERVICES	\$5,750,861	\$66,474,601	8.65%
LABOR, LICENSING & REGULATION	\$9,995,466	\$54,432,670	18.36%
MOTOR VEHICLE	\$44,493,958	\$62,861,636	70.78%
NATURAL RESOURCES	\$819,336	\$15,107,108	5.42%
OFFICE OF THE SECRETARY	\$5,701,211	\$25,250,255	22.58%
PLANNING	\$28,377	\$604,444	4.69%
POLICE	\$3,005,134	\$28,975,947	10.37%
PORT	\$11,179,081	\$95,624,132	11.69%
PUBLIC SAFETY & CORRECTIONS	\$74,868,507	\$181,130,785	41.33%
STATE HIGHWAY	\$117,274,424	\$709,021,405	16.54%
TRANSIT	\$139,112,955	\$1,231,821,982	11.29%
TRANSPORTATION AUTHORITY	\$50,534,167	\$178,094,945	28.37%
TOTAL	\$1,271,522,329	\$5,100,734,618	24.93%

Exhibit 4: Awards by StateStat Reporting Procurement Agency/Department – FY2013

StateStat Procurement Agency/Department	Total MBE Awards	Total All Awards	MBE Participation
ASSESSMENTS & TAXATION	\$442,000	\$818,169	54.02%
AVIATION	\$51,689,520	\$229,929,051	22.48%
BUSINESS & ECONOMIC DEVELOPMENT	\$13,652,528	\$17,096,464	79.86%
EDUCATION	\$12,637,192	\$78,846,826	16.03%
GENERAL SERVICES	\$29,221,818	\$157,542,921	18.55%
HEALTH & MENTAL HYGIENE	\$630,327,228	\$1,116,174,123	56.47%
HOUSING & COMMUNITY DEVELOPMENT	\$3,979,375	\$13,034,724	30.53%
HUMAN RESOURCES	\$59,901,162	\$444,246,082	13.48%
JUVENILE SERVICES	\$5,750,861	\$66,474,601	8.65%
LABOR, LICENSING & REGULATION	\$9,995,466	\$54,432,670	18.36%
MOTOR VEHICLE	\$44,493,958	\$62,861,636	70.78%
POLICE	\$3,005,134	\$28,975,947	10.37%
PUBLIC SAFETY & CORRECTIONS	\$74,868,507	\$181,130,785	41.33%
STATE HIGHWAY	\$117,274,424	\$709,021,405	16.54%
TRANSIT	\$139,112,955	\$1,231,821,982	11.29%
TOTAL	\$1,196,352,128	\$4,392,407,386	27.24%

Awards by Procurement Category

MBE awards in Maryland are divided into 11 different business sectors, referred to as procurement categories. Total MBE awards across these procurement categories totaled \$1.7 billion in FY2013. Exhibits 5 through 7 illustrate FY2013 total prime awards, MBE prime awards, MBE subcontract awards, total MBE awards and the percentage of MBE participation by procurement category.

Exhibit 5: Total Awards by Procurement Category – FY2013

Procurement Category	Total All Procurement/ Contract Awards	Total MBE Prime Awards	Total MBE Subcontract Awards	Total MBE Awards (Prime & Sub)	% MBE Participation
Architectural / Engineering	\$316,491,944	\$1,876,801	\$69,038,604	\$70,915,405	22.41%
Construction	\$1,816,625,955	\$79,012,354	\$387,505,900	\$466,518,254	25.68%
Construction Related Services	\$10,078,981	\$572,068	\$2,599,925	\$3,171,993	31.47%
Maintenance	\$522,084,331	\$67,961,150	\$41,668,042	\$109,629,192	11.39%
Services	\$1,334,444,533	\$132,418,938	\$95,487,570	\$227,906,508	17.08%
Supplies & Equipment	\$481,880,906	\$16,884,200	\$12,027,867	\$28,912,067	6.00%
IT Services	\$266,934,944	\$37,058,430	\$32,489,414	\$69,547,844	26.05%
IT Supplies & Equipment	\$135,255,107	\$19,229,436	\$854,233	\$20,083,669	14.85%
Human, Cultural, Social & Educational Services	\$1,277,780,116	\$646,002,741	\$10,728,789	\$656,731,530	51.40%
Corporate Credit Card	\$199,517,170	\$13,008,919	\$0	\$13,008,919	6.52%
Direct Voucher	\$70,099,127	\$8,803,243	\$0	\$8,803,243	12.56%
TOTAL	\$6,871,193,114	\$1,022,828,280	\$652,400,344	\$1,675,228,624	24.38%

Exhibit 6: FY2013 Total Prime Awards (Including MBE) by Procurement Category - \$6.9 B

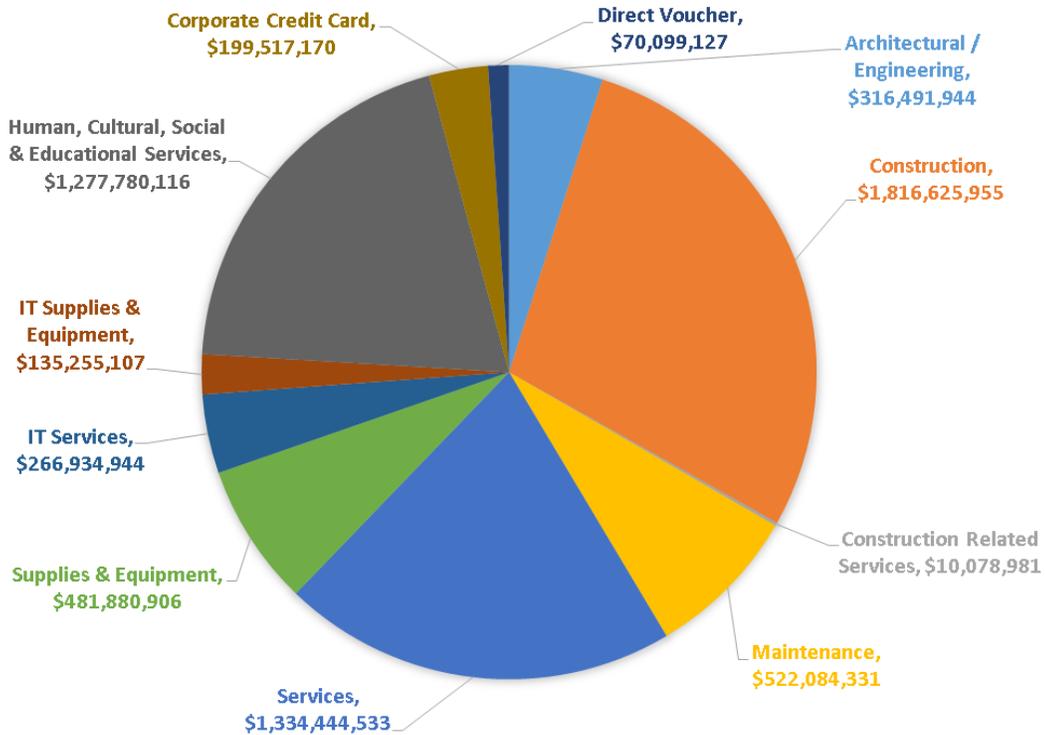
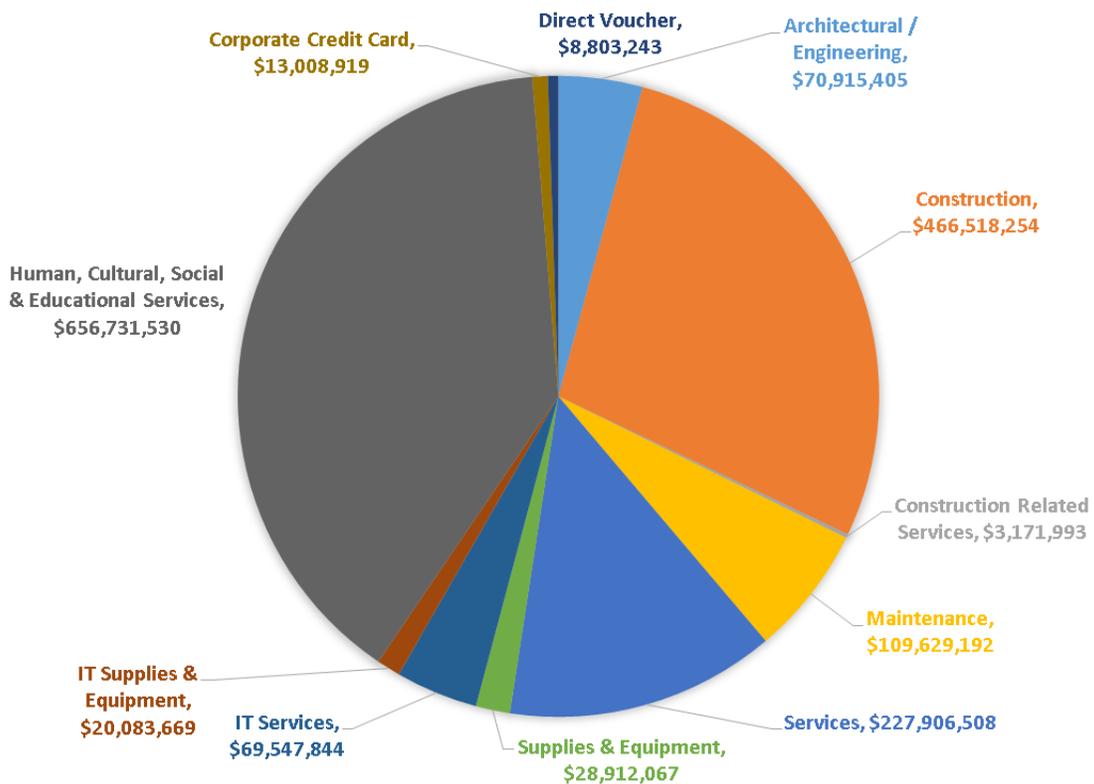


Exhibit 7: FY2013 Total MBE Awards by Procurement Category - \$1.7 B



Awards by Classification

MBE classification connotes the category in which firms have been certified as socially and economically disadvantaged according to race, ethnicity, gender or disability. With the impending withdrawal of nonprofit organizations as noted previously in the Key Policy Highlights, classification data is being presented with subtotals for the minority and nonprofit designations. Exhibits 8 and 9 provide a breakdown of awards for FY2013 and Fiscal Years 2007-2013.

Exhibit 8: MBE Awards by Classification – FY2013

MBE Classification	Total Prime Awards	Total Subcontract Awards	Total Prime and Subcontract Awards	% of Total MBE Procurement	% of Total All Procurement Awards
Total African American	\$37,481,988	\$266,315,866	\$303,797,854	18.13%	4.42%
<i>African American</i>	\$25,160,392	\$212,061,264	\$237,221,656	14.16%	3.45%
<i>African American Women</i>	\$12,321,596	\$54,254,602	\$66,576,198	3.97%	0.97%
Total Asian	\$71,199,217	\$84,436,980	\$155,636,197	9.29%	2.27%
<i>Asian American</i>	\$61,578,130	\$72,605,517	\$134,183,647	8.01%	1.95%
<i>Asian Women</i>	\$9,621,087	\$11,831,463	\$21,452,550	1.28%	0.31%
Total Hispanic	\$44,879,748	\$101,350,670	\$146,230,418	8.73%	2.13%
<i>Hispanic American</i>	\$44,316,270	\$96,661,785	\$140,978,055	8.42%	2.05%
<i>Hispanic Women</i>	\$563,478	\$4,688,885	\$5,252,363	0.31%	0.08%
Total Native American	\$1,270,127	\$12,282,570	\$13,552,697	0.81%	0.20%
<i>Native American</i>	\$576,040	\$8,225,160	\$8,801,200	0.53%	0.13%
<i>Native American Women</i>	\$694,087	\$4,057,410	\$4,751,497	0.28%	0.07%
Women	\$171,776,095	\$186,352,319	\$358,128,414	21.38%	5.21%
Disabled	\$49,880	\$15,129	\$65,009	0.00%	0.00%
Disadvantaged	\$48,380	\$1,039,418	\$1,087,798	0.06%	0.02%
<i>Subtotal Minorities, Women, Disabled and Disadvantaged Designations</i>	\$326,705,435	\$651,792,952	\$978,498,387	58.41%	14.24%
Nonprofit (Certified)	\$264,756,073	\$118,526	\$264,874,599	15.81%	3.85%
Community Service Provider (formerly Sheltered Workshop)	\$431,366,772	\$488,866	\$431,855,638	25.78%	6.29%
<i>Subtotal Nonprofits and CSP Designations</i>	\$696,122,845	\$607,392	\$696,730,237	41.59%	10.14%
Total MBE Procurement	\$1,022,828,280	\$652,400,344	\$1,675,228,624	100.00%	24.38%
Total All Procurement Awards			\$6,871,193,114		

Exhibit 9: MBE Contract Awards by Classification – Fiscal Years 2007-2013

MBE Classification	FY2007 MBE Contract Awards	FY2008 MBE Contract Awards	FY2009 MBE Contract Awards	FY2010 MBE Contract Awards	FY2011 MBE Contract Awards	FY2012 MBE Contract Awards	FY2013 MBE Contract Awards
Total African American	\$206,206,524	\$266,333,768	\$371,145,118	\$291,083,335	\$335,054,979	\$384,046,372	\$303,797,854
<i>African American</i>	\$206,206,524	\$266,333,768	\$371,145,118	\$270,229,367	\$284,238,784	\$327,513,831	\$237,221,656
<i>African American Women</i>	--	--	--	\$20,853,968	\$50,816,195	\$56,532,541	\$66,576,198
Total Asian	\$132,742,960	\$116,253,861	\$210,432,615	\$164,368,688	\$233,598,157	\$155,347,352	\$155,636,197
<i>Asian American</i>	\$132,742,960	\$116,253,861	\$210,432,615	\$158,944,589	\$212,593,430	\$137,106,827	\$134,183,647
<i>Asian Women</i>	--	--	--	\$5,424,099	\$21,004,727	\$18,240,525	\$21,452,550
Total Hispanic	\$62,657,536	\$96,115,893	\$139,880,199	\$138,975,923	\$142,831,867	\$142,862,987	\$146,230,418
<i>Hispanic American</i>	\$62,657,536	\$96,115,893	\$139,880,199	\$137,166,086	\$139,030,941	\$137,430,149	\$140,978,055
<i>Hispanic Women</i>	--	--	--	\$1,809,836	\$3,800,927	\$5,432,838	\$5,252,363
Total Native American	\$19,055,663	\$39,906,457	\$5,556,966	\$7,069,842	\$18,075,578	\$15,693,690	\$13,552,697
<i>Native American</i>	\$19,055,663	\$39,906,457	\$5,556,966	\$6,111,691	\$11,972,101	\$12,673,494	\$8,801,200
<i>Native American Women</i>	--	--	--	\$958,151	\$6,103,477	\$3,020,197	\$4,751,497
Women only	\$322,921,247	\$396,673,808	\$439,676,065	\$320,469,157	\$429,875,319	\$550,803,444	\$358,128,414
Disabled	\$6,432,211	\$1,491,710	\$35,975,201	\$1,585,061	\$1,574,197	\$604,470	\$65,009
Disadvantaged	\$0	\$0	\$0	\$49,894	\$2,756,735	\$5,932	\$1,087,798
<i>Subtotal Minorities, Women, Disabled and Disadvantaged Designations</i>	\$750,016,141	\$916,775,496	\$1,202,666,164	\$923,601,900	\$1,163,766,832	\$1,249,364,246	\$978,498,387
Nonprofit (Certified)	\$192,007,334	\$268,549,985	\$237,308,842	\$292,644,486	\$291,069,381	\$280,762,948	\$264,874,599
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
<i>Subtotal Nonprofits and CSP Designations</i>	\$382,246,092	\$392,030,063	\$449,521,825	\$464,873,981	\$478,272,605	\$679,615,639	\$696,730,237
Total MBE Procurement	\$1,132,262,233	\$1,308,805,560	\$1,652,187,990	\$1,388,475,881	\$1,642,039,438	\$1,928,979,885	\$1,675,228,624

Performance Relative to Prime Contracting

GOMA monitors the level of prime contracting awards for MBEs. Prime contracting opportunities are highly desired by most MBEs and are viewed by the State as a direct pathway for small, minority- and women-owned businesses to increase capacity and grow. This data is also presented with subtotals for the minority and nonprofit designations.

Exhibit 10: MBE Prime Contracting Awards – FY2007-FY2013

MBE Classification	FY2007 MBE Prime Contract Awards	FY2008 MBE Prime Contract Awards	FY2009 MBE Prime Contract Awards	FY2010 MBE Prime Contract Awards	FY2011 MBE Prime Contract Awards	FY2012 MBE Prime Contract Awards	FY2013 MBE Prime Contract Awards
Total African American	\$41,826,100	\$47,175,344	\$31,399,942	\$50,607,567	\$90,669,008	\$50,643,051	\$37,481,988
<i>African American</i>	\$41,826,100	\$47,175,344	\$31,399,942	\$45,677,986	\$72,670,257	\$40,363,010	\$25,160,392
<i>African American Woman</i>	--	--	--	\$4,929,582	\$17,998,751	\$10,280,041	\$12,321,596
Total Asian	\$54,708,824	\$36,508,698	\$70,933,305	\$69,581,575	\$88,672,292	\$57,395,969	\$71,199,217
<i>Asian American</i>	\$54,708,824	\$36,508,698	\$70,933,305	\$68,901,598	\$79,135,429	\$44,763,171	\$61,578,130
<i>Asian Woman</i>	--	--	--	\$679,977	\$9,536,863	\$12,632,798	\$9,621,087
Total Hispanic	\$27,501,184	\$23,771,344	\$37,398,232	\$62,778,224	\$47,806,176	\$47,158,358	\$44,879,748
<i>Hispanic American</i>	\$27,501,184	\$23,771,344	\$37,398,232	\$62,256,327	\$47,426,658	\$46,648,516	\$44,316,270
<i>Hispanic Woman</i>	--	--	--	\$521,896	\$379,518	\$509,842	\$563,478
Total Native American	\$446,810	\$244,069	\$117,183	\$223,415	\$628,930	\$940,366	\$1,270,127
<i>Native American</i>	\$446,810	\$244,069	\$117,183	\$219,078	\$421,751	\$155,238	\$576,040
<i>Native American Woman</i>	--	--	--	\$4,337	\$207,179	\$785,128	\$694,087
Women Only	\$99,563,933	\$135,815,625	\$155,222,378	\$112,900,438	\$164,126,239	\$239,819,054	\$171,776,095
Disabled	\$5,567,877	\$755,050	\$309,522	\$464,418	\$613,185	\$138,200	\$49,880
Disadvantaged	--	--	--	\$49,894	\$8,484	\$133	\$48,380
<i>Subtotal Minorities, Women, Disabled and Disadvantaged Designations</i>	\$229,614,727	\$244,270,130	\$295,380,562	\$296,605,531	\$392,524,314	\$396,095,131	\$326,705,435
Nonprofit (Certified)	\$189,306,494	\$390,350,051	\$235,354,889	\$290,750,022	\$287,333,348	\$279,297,668	\$264,756,073
Community Service Provider (Sheltered Workshops - Certified)	\$190,238,758	\$777,490	\$212,212,983	\$172,229,495	\$187,201,283	\$398,848,157	\$431,366,772
<i>Subtotal Nonprofits and CSP Designations</i>	\$379,545,251	\$391,127,541	\$447,567,872	\$462,979,517	\$474,534,630	\$678,145,825	\$696,122,845
Total	\$609,159,978	\$635,397,671	\$742,948,434	\$759,585,048	\$867,058,944	\$1,074,240,956	\$1,022,828,280

Performance Relative to Subgoals

All minority participation goals are set on a contract-by-contract basis and examined for opportunities to establish subgoals in an effort to maximize minority inclusion. Initially, subgoals applied exclusively to Women and African Americans, but were expanded in 2011 to include Asian Americans and Hispanic Americans within the major industry categories noted in Exhibit 11.

Exhibit 11: MBE Subgoal Performance – FY2013

Procurement Category	Total Women	Women Subgoal	Total African American	African American Subgoal	Total Asian American	Asian American Subgoal	Total Hispanic American	Hispanic American Subgoal
Construction	Dollars	\$186,130,509	\$158,887,799	\$73,746,420	\$72,601,046			
	Percent	10.25%	8.75%	7.00%	4.06%	4.00%	4.00%	
Architectural, Engineering & Construction Related Services	Dollars	\$30,427,228	\$19,756,773	\$17,615,602	\$19,740,625			
	Percent	9.32%	9.00%	6.05%	6.00%	5.39%	6.04%	2.00%
Maintenance	Dollars	\$34,051,084	\$26,380,630	\$4,211,189	\$19,564,966			
	Percent	3.54%	2.74%	8.00%	0.44%	3.00%	2.03%	3.00%
IT Services & IT Supplies	Dollars	\$24,384,851	\$15,913,922	\$44,050,244	\$10,450,257			
	Percent	6.06%	8.00%	3.96%	7.00%	10.95%	2.60%	2.00%
Services & Human, Cultural, Social & Educational Services	Dollars	\$153,508,011	\$71,941,323	\$10,858,837	\$17,632,644			
	Percent	5.88%	12.00%	2.75%	7.00%	0.42%	4.00%	0.68%
Supplies and Equipment	Dollars	\$16,177,305	\$7,253,762	\$3,054,565	\$3,889,305			
	Percent	3.36%	10.00%	1.51%	6.00%	0.63%	5.00%	0.81%

Waiver Activity

The full or partial MBE goal on an individual contract may be waived when a bidder or offer can demonstrate in writing that it is unable to obtain the specified minority subcontracting participation goal. Waivers are an important part of any constitutional MBE Program. Waiver requests have been highly scrutinized under the O’Malley-Brown Administration to ensure that waivers are only granted upon a documented good faith effort to meet the specified MBE goal. In FY2013, 29 waivers were granted.

Exhibit 12: Waiver Activity – FY2007-FY2013

	Waiver Requests	Waivers Granted
FY2007	422	282
FY2008	341	265
FY2009	276	246
FY2010	148	119
FY2011	67	28
FY2012	63	48
FY2013	45	29

Analysis of MBE Payments

In FY2013, payments to MBEs reached the highest level in program history at \$1.8 billion. This represents a 19% increase over the previous fiscal year and 138% increase since FY2007 as illustrated in Exhibit 13. Exhibit 14 shows payments by MBE classification for both MBE primes as well as MBE subcontractors, and Exhibit 15 identifies payments to MBEs by agencies and departments for FY2013.

Exhibit 13: Total MBE Payments – Fiscal Years 2007–2013

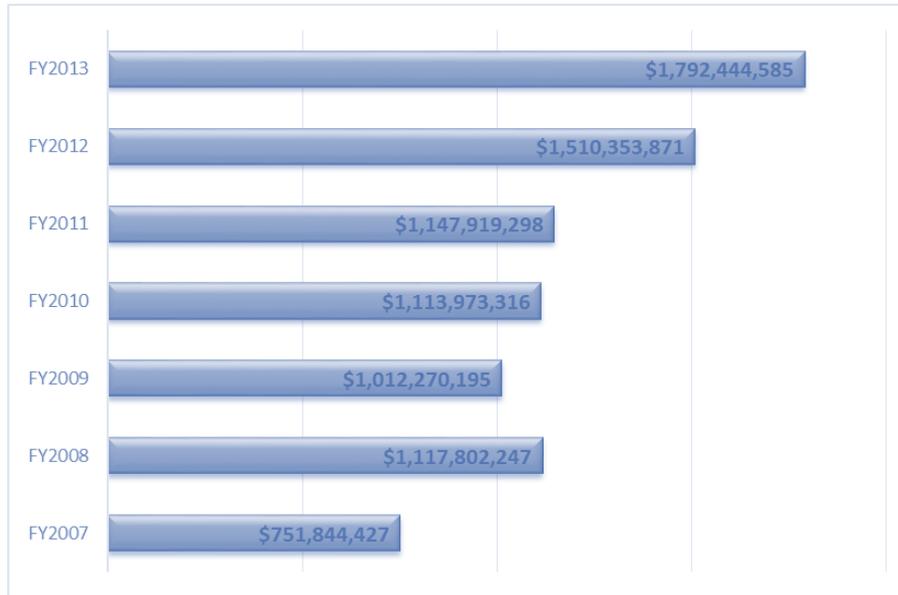


Exhibit 14: MBE Payments by Classification – FY2013

MBE Classification	MBE Prime Payments	MBE Subcontractor Payments	Total MBE Payments	% of Total MBE Payments
Total African American	\$53,295,187	\$275,444,926	\$328,740,113	18.3%
<i>African American</i>	<i>\$41,006,159</i>	<i>\$243,532,675</i>	<i>\$284,538,834</i>	<i>15.9%</i>
<i>African American Women</i>	<i>\$12,289,027</i>	<i>\$31,912,251</i>	<i>\$44,201,279</i>	<i>2.5%</i>
Total Asian-American	\$89,227,389	\$114,715,556	\$203,942,945	11.4%
<i>Asian American</i>	<i>\$81,493,818</i>	<i>\$106,984,626</i>	<i>\$188,478,444</i>	<i>10.5%</i>
<i>Asian American Women</i>	<i>\$7,733,571</i>	<i>\$7,730,930</i>	<i>\$15,464,501</i>	<i>0.9%</i>
Total Hispanic American	\$45,928,827	\$81,288,538	\$127,217,365	7.1%
<i>Hispanic American</i>	<i>\$44,981,626</i>	<i>\$78,773,487</i>	<i>\$123,755,113</i>	<i>6.9%</i>
<i>Hispanic American Women</i>	<i>\$947,201</i>	<i>\$2,515,051</i>	<i>\$3,462,252</i>	<i>0.2%</i>
Total Native American	\$387,121	\$13,823,140	\$14,210,261	0.8%
<i>Native American</i>	<i>\$233,178</i>	<i>\$10,276,295</i>	<i>\$10,509,473</i>	<i>0.6%</i>
<i>Native American Women</i>	<i>\$153,943</i>	<i>\$3,546,845</i>	<i>\$3,700,788</i>	<i>0.2%</i>
Women	\$176,876,328	\$251,092,170	\$427,968,497	23.9%
Community Service Provider	\$442,951,636	\$476,803	\$443,428,439	24.7%
Disabled	\$367,530	\$1,627,759	\$1,995,289	0.1%
Non-Profit Organization	\$243,812,160	\$1,129,516	\$244,941,677	13.7%
TOTAL	\$1,052,846,178	\$739,598,408	\$1,792,444,585	100%

Exhibit 15: MBE Payments by Agency/Department – FY2013

Agency/Department	MBE Prime Payments	MBE Subcontractor Payments	Total MBE Payments
AGING	791,193.66	188,964.72	980,158.38
AGRICULTURE	359,765.46	-	359,765.46
ARCHIVES	1,094,825.78	-	1,094,825.78
ASSESSMENTS & TAXATION	437,745.90	32,698.81	470,444.71
ATTORNEY GENERAL'S OFFICE	166,618.46	9,500.00	176,118.46
BALTIMORE CITY COMMUNITY COLLEGE	-	26,769.00	26,769.00
BOWIE STATE UNIVERSITY	2,060,993.89	2,331,238.00	4,392,231.89
BUDGET & MANAGEMENT	809,110.29	6,011,258.42	6,820,368.71
BUSINESS & ECONOMIC DEVELOPMENT	2,606,759.81	1,813,872.69	4,420,632.50
CIVIL RIGHTS (HUMAN RELATIONS) COMMISSION	29,946.16	-	29,946.16
COMPTROLLER	3,122,232.82	1,820,637.05	4,942,869.87
COPPIN STATE UNIVERSITY	1,104,287.15	1,679,820.36	2,784,107.51
DEAF, SCHOOL FOR THE	175,765.76	-	175,765.76
EDUCATION	13,422,470.73	3,862,139.80	17,284,610.53
ELECTIONS	7,590,804.73	1,381,961.28	8,972,766.01
ENVIRONMENT	1,052,232.52	881,271.12	1,933,503.64
ENVIRONMENTAL SERVICE	1,773,804.92	2,644,463.58	4,418,268.50
EXECUTIVE DEPARTMENT	246,626.36	558,154.32	804,780.68
FOOD CENTER AUTHORITY	252,193.77	160,150.31	412,344.08
FROSTBURG STATE UNIVERSITY	546,606.42	731,961.21	1,278,567.63
GENERAL SERVICES	7,843,523.18	26,160,489.57	34,004,012.75
HEALTH & MENTAL HYGIENE	641,986,751.56	21,262,277.50	663,249,029.06
HIGHER EDUCATION COMMISSION	66,256.00	-	66,256.00
HOUSING & COMMUNITY DEVELOPMENT	2,053,315.78	1,401,187.05	3,454,502.83
HUMAN RESOURCES	50,284,460.06	18,636,818.00	68,921,278.06
INFORMATION TECHNOLOGY	2,115,105.98	12,119,058.04	14,234,164.02
INSURANCE ADMINISTRATION	168,112.34		168,112.34
JUVENILE SERVICES	9,343,970.95	1,736,021.18	11,079,992.13
LABOR, LICENSING & REGULATION	3,197,642.65	3,161,840.25	6,359,482.90
LOTTERY	544,550.21	16,414,703.33	16,959,253.54
MILITARY	768,843.96	-	768,843.96
MORGAN STATE UNIVERSITY	165,392.13	5,907,470.03	6,072,862.16
NATURAL RESOURCES	1,337,661.87	232,701.78	1,570,363.65
PEOPLE'S COUNSEL	46,249.00	-	46,249.00
PLANNING	277,977.54	-	277,977.54
POLICE	2,192,095.76	312,942.75	2,505,038.51
PUBLIC DEFENDER'S OFFICE	-	322,848.68	322,848.68
PUBLIC SAFETY & CORRECTIONAL SERVICES	106,837,444.65	28,754,081.09	135,591,525.74
PUBLIC SCHOOL CONSTRUCTION	36,954,447.58	139,721,806.05	176,676,253.63
PUBLIC SERVICE COMMISSION	286,596.53	59,937.45	346,533.98
PUBLIC TELEVISION	129,593.25	-	129,593.25
PUBLIC WORKS	1,925.00	-	1,925.00
RETIREMENT	423,842.97	653,512.79	1,077,355.76
SAINT MARY'S COLLEGE	417,752.16	191,343.56	609,095.72
SALISBURY STATE UNIVERSITY	-	566,352.58	566,352.58
STADIUM AUTHORITY	5,509,318.89	1,576,895.60	7,086,214.49

Agency/Department	MBE Prime Payments	MBE Subcontractor Payments	Total MBE Payments
TOWSON UNIVERSITY	3,270,932.46	5,349,053.94	8,619,986.40
TRANSPORTATION - AVIATION	18,953,219.35	26,742,837.29	45,696,056.64
TRANSPORTATION - MOTOR VEHICLE	11,295,325.79	8,163,764.26	19,459,090.05
TRANSPORTATION - OFFICE OF THE SECRETARY	4,286,636.57	7,676,960.27	11,963,596.84
TRANSPORTATION - PORT ADMINISTRATION	814,021.93	10,038,596.80	10,852,618.73
TRANSPORTATION - STATE HIGHWAY	57,730,125.98	104,439,724.03	162,169,850.01
TRANSPORTATION - TRANSIT ADMINISTRATION	23,005,312.75	49,757,841.19	72,763,153.94
TRANSPORTATION - TRANSPORTATION AUTHORITY	1,933,715.49	114,074,393.12	116,008,108.61
TREASURER'S OFFICE	20,578.50	98,398.00	118,976.50
UNIVERSITY OF BALTIMORE	1,353,791.01	448,742.94	1,802,533.95
UNIVERSITY OF MARYLAND, BALTIMORE	1,943,539.20	27,096,930.86	29,040,470.06
UNIVERSITY OF MARYLAND, BALTIMORE COUNTY	1,149,999.79	9,032,749.46	10,182,749.25
UNIVERSITY OF MARYLAND, COLLEGE PARK	11,472,232.30	65,533,680.04	77,005,912.34
UNIVERSITY OF MARYLAND, EASTERN SHORE	1,455,258.35	660,577.56	2,115,835.91
UNIVERSITY OF MARYLAND, UNIVERSITY COLLEGE	3,185,202.62	7,430,270.56	10,615,473.18
WORKER'S COMPENSATION	80,829.24	25,381.25	106,210.49
TOTAL	1,052,547,535.92	739,897,049.52	1,792,444,585.44



Economic Impact of the MBE Program

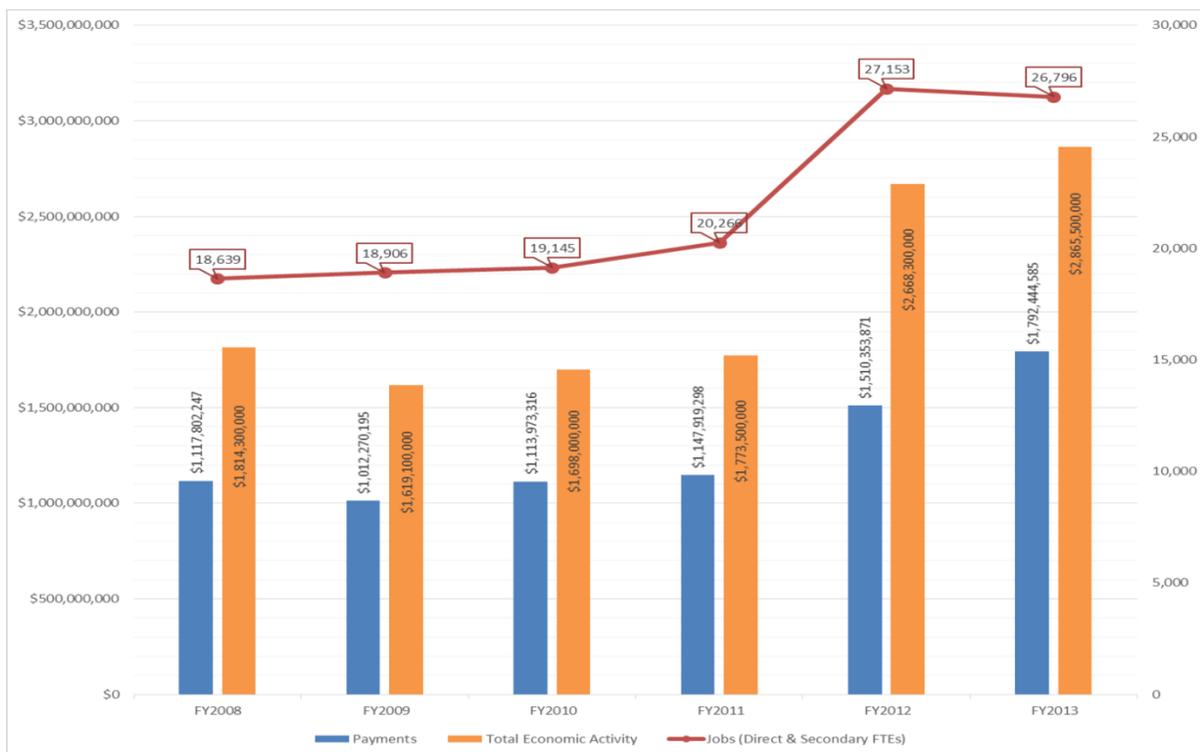
The MBE Program supports the State’s overarching goal of creating jobs, expanding opportunity and strengthening Maryland’s middle class. In FY2013, MBEs received \$1.8 billion in procurement payments which helped create or save 26,796 jobs and resulted in \$1,110.4 million in wages and salaries as well as \$88.9 million in tax revenues for the State. The MBE Program generated a direct economic impact of \$1.60 for every dollar of *State* procurement funds as noted in Exhibit 16. Key elements of the historical economic impact of the program from FY2008 through FY2013 are illustrated in Exhibit 17.

Exhibit 16: FY2013 Economic Impact of MBE Payments in Maryland

	Direct	Secondary	Total
Expenditures (\$millions)			
Per \$1 of MBE Procurements	\$1,600.6	\$1,264.9	\$2,865.5
Employee Wages & Salaries (\$millions)	\$0.89	\$0.71	\$1.60
Employment (FTEs)	\$714.8	\$395.6	\$1,110.4
Per \$1 million of MBE Procurements	18,104	8,692	26,796
State Tax Receipts (\$millions)	10.1	4.8	14.9
Sales and Use Tax	\$43.0	\$23.7	\$66.7
Personal Income Tax	\$19.6	\$10.6	\$30.2
Local Income Surtax (\$millions)	\$23.4	\$13.1	\$36.5
State and Local Tax Receipts (\$millions)	\$14.0	\$8.2	\$22.3
	\$57.0	\$31.9	\$88.9

Source: Governor’s Office of Minority Affairs, DBED Office of Research and Information Services, IMPLAN 201

Exhibit 17: Economic Impact of the MBE Program in Maryland – FY2007-FY2013



The SBR Program

Maryland's Small Business Reserve (SBR) Program is an innovative approach to creating access to State contracting opportunities and is consistent with the State's overarching goal to support the health and viability of Maryland's small business community. Created in 2004, the SBR is a race- and gender-neutral companion to the MBE Program and allows small businesses to participate as prime contractors on State contracts without competing against larger businesses.

The SBR Program applies to 23 designated State agencies. Under the State Procurement Law, SFP §§14-501 - 14-505, these agencies are required to spend at least 10% of their total fiscal year procurement expenditures with qualified small businesses. In order to participate in the SBR Program, small businesses that meet SBR size standards as defined under the law must self-register through DGS. Annual registration renewal is also required.

The SBR Program is administered jointly by GOMA and DGS. DGS manages the registration and certification process, maintains the directory of SBR vendors, and conducts audits to ensure that only qualified small businesses are on the vendor list. GOMA is responsible for collecting data to ensure compliance with the goal, providing training and technical assistance to agency personnel, conducting quarterly liaison meetings, and serving as an advocate for small businesses. Both agencies promote the program throughout the business community.

After several years of flat gains, the SBR Program saw significant increases in terms of payments as well as overall percentage of participation in FY2013. Exhibits 18 and 19 illustrate historical and current SBR utilization.

Key SBR Program Measurements:

- \$281 million in payments to SBR vendors in FY2013; a 29% increase from the previous fiscal year
- 9.03% overall participation in FY2013; a 47% increase from the previous fiscal year
- 5,685 registered vendors in FY2013; a 43% increase from the previous year
- 131% increase in payments from FY2007 to FY2013

Exhibit 18: SBR Awards – FY2007-FY2013

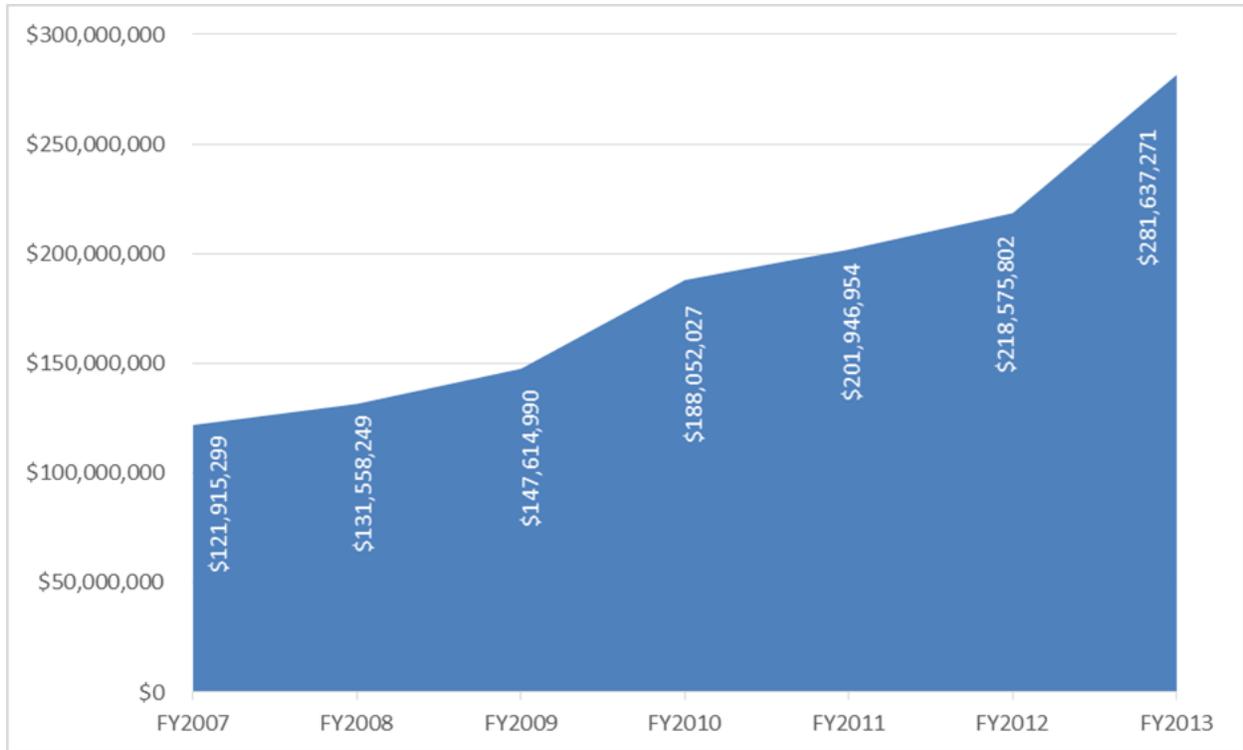


Exhibit 19: Procurements by SBR Agency/Department – FY2013

	State Procurement Agency/Department	SBR Expenditures	Total Procurement Expenditures	SBR Participation
1	Business & Economic Development	\$3,005,425	\$8,646,529	34.76%
2	Education	\$14,158,401	\$75,412,281	18.77%
3	Environment	\$2,284,867	\$8,676,202	26.33%
4	General Services	\$13,572,916	\$76,737,399	17.69%
5	Health & Mental Hygiene	\$14,223,556	\$342,841,837	4.15%
6	Housing & Community Development	\$1,494,117	\$15,606,058	9.57%
7	Human Resources	\$13,785,787	\$150,072,672	9.19%
8	Information Technology	\$5,140,226	\$34,212,254	15.02%
9	Insurance Administration	\$245,646	\$1,682,888	14.60%
10	Juvenile Services	\$4,956,837	\$103,304,691	4.80%
11	Labor, Licensing & Regulation	\$2,777,472	\$25,524,794	10.88%
12	Lottery	\$7,690,138	\$66,544,124	11.56%
13	Morgan State University	\$3,167,915	\$31,851,463	9.95%
14	Natural Resources	\$3,531,083	\$31,061,620	11.37%
15	Public Safety & Correctional Services	\$11,347,681	\$260,964,493	4.35%
16	Retirement	\$237,459	\$4,741,983	5.01%
17	Stadium Authority	\$2,611,559	\$12,911,861	20.23%
18	State Police	\$2,973,361	\$31,797,728	9.35%
19	Transportation (Includes The Secretary's Office, Maryland Aviation Administration, Maryland Transit Administration, Motor Vehicle Administration and State Highway Administration)	\$94,140,597	\$1,082,451,316	8.70%
20	Maryland Port Commission			
21	Maryland Transportation Authority			
22	Treasurer's Office	\$49,585	\$3,491,782	1.42%
23	University System of Maryland	\$80,242,643	\$753,233,590	10.65%
	<i>Bowie State University</i>	\$2,189,940	\$12,000,892	18.25%
	<i>Coppin State University</i>	\$1,463,062	\$12,355,316	11.84%
	<i>Frostburg State University</i>	\$4,087,072	\$12,433,400	32.87%
	<i>Salisbury State University</i>	\$1,684,075	\$9,979,581	16.88%
	<i>Towson University</i>	\$7,196,347	\$55,432,594	12.98%
	<i>University of Baltimore</i>	\$1,839,383	\$13,471,363	13.65%
	<i>University of MD, Baltimore</i>	\$11,358,125	\$153,638,467	7.39%
	<i>University of MD, Baltimore County</i>	\$3,357,904	\$34,052,815	9.86%
	<i>University of MD, College Park</i>	\$34,347,580	\$356,962,548	9.62%
	<i>University of MD, Eastern Shore</i>	\$2,466,061	\$15,686,576	15.72%
	<i>University of MD, University College</i>	\$10,253,094	\$77,220,038	13.28%
	TOTAL	\$281,637,271	\$3,121,767,565	9.02%

*The totals for the Maryland Department of Transportation include the Department of Transportation, the Maryland Port Commission and the Maryland Transportation Authority even though the law designates them as separate SBR units.

The FY2013 Small Business Reserve Program Report is available online in the Reports section of our website at www.goma.maryland.gov.

MBE Compliance of VLT Facilities

Pursuant to the Video Lottery Terminal (VLT) Law passed during the 2008 Legislative Session, GOMA is responsible for monitoring contract awards and payments made to MBEs by VLT licensees, specifically as it relates to construction of the physical VLT facility as well as other activity related to development, design, management and operation. To date, this includes the following licensees:

- Hollywood Casino – Penn National Gaming (PNG)
- The Casino at Ocean Downs – Ocean Enterprises 589, LLC (OE589)
- Maryland Live Casino – Power Plant Entertainment (PPE)
- Rocky Gap Casino - Lakes Entertainment –Evitts Resort, LLC (Lakes)
- Horseshoe Baltimore Casino - CBAC Gaming LLC (CBAC)

MGM has been awarded the license for a facility to be located at National Harbor in Prince George’s County. That facility is expected to open in 2016.

Historically focused on intergovernmental monitoring and compliance, GOMA has faced several challenges in implementing policies and procedures within the public-private partnerships established with the VLT licensees. In collaboration with the Maryland Lottery and Gaming Control Agency, we have been refining the data collection process and protocols needed to produce reliable and consistent reports on minority business utilization with regard to all phases of building and operating VLT facilities. Upon completion of this re-assessment, GOMA will report on data collected during FY2013.

VLT Facilities MBE Compliance Reports are available online in the Reports section of our website at www.goma.maryland.gov.



Utilization of Minority- and Women-owned Brokerage and Investment Management Firms

In 2008, the Maryland General Assembly passed legislation (2008 Laws of Maryland, Ch. Nos. 600 and 601) aimed at fostering an inclusive atmosphere in the State’s investment management and brokerage procurements within the following four agencies:

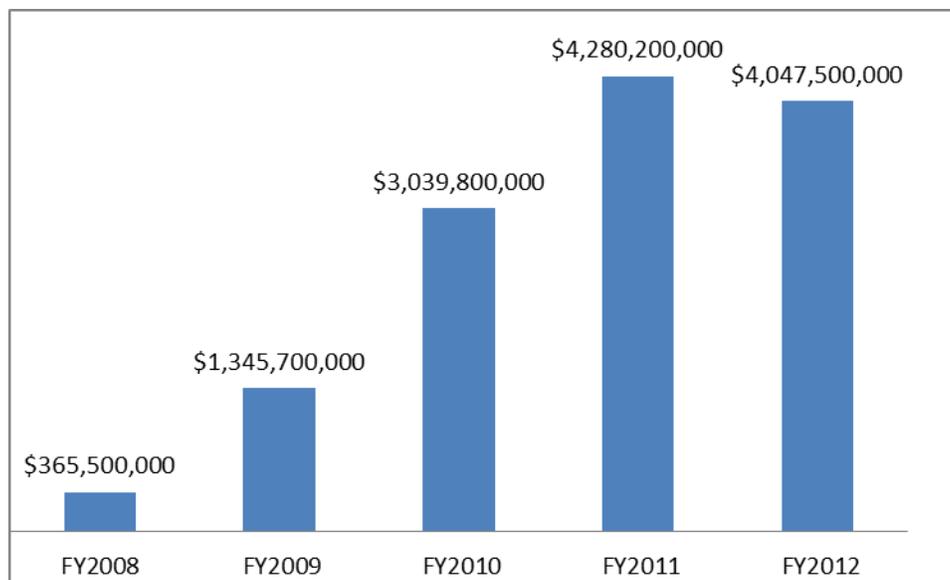
- Injured Workers’ Insurance Fund
- Maryland Automobile Insurance Fund
- Maryland State Retirement and Pension System
- Maryland State Treasurer

This legislation was expanded in 2012 (2012 Laws of Maryland, Ch. Nos. 488 and 489) to include the following agencies beginning in FY2013:

- Department of Business and Economic Development
- Department of Housing and Community Development
- Maryland Higher Education Commission
- Maryland Teachers’ and State Employees Supplemental Retirement Plans

GOMA serves in an advisory role to these agencies, providing technical assistance to promote the increased utilization of minority- and women-owned brokerage and investment management firms consistent with MBE purchasing standards, the agencies’ respective fiduciary responsibilities and governing law.

Exhibit 20: Utilization of Minority- and Women-Owned Brokerage and Investment Management Firms – FY2008-FY2012



Reports documenting our progress in the utilization of minority- and women-owned brokerage and investment management firms is available online in the Reports section of our website at www.goma.maryland.gov.

Legislative Highlights

In addition to the Key Policy Highlights noted previously, the following legislation impacting small, minority- and women-owned businesses was passed during the 2013 session of the Maryland General Assembly:

2013 Laws of Maryland, Ch. Nos. 504 and 505

Procurement - Subcontractor Equal Access to Bonding Act of 2013

- This bill prevents prime contractors on State procurements for services, supplies, or construction-related services, from imposing more stringent bonding requirements for their subcontractors than the State imposes on prime contractors. Bonds provided by subcontractors must be accepted by the prime contractor if the bond would be accepted by the State and provided by either (1) a surety company authorized to do business in the State or (2) the Maryland Small Business Development Financing Authority (MSBDF). In solicitations or pre-bid conferences for State procurements for services, supplies, or construction-related services, procurement agencies must notify bidders that bid security must be (1) a bond provided by a surety company authorized to do business in the State; (2) a bond provided by an individual surety that conforms to State law; (3) cash; or (4) another form of security that is authorized by federal or State regulations or that is satisfactory to the unit. (Effective Date - July 1, 2013.)

2013 Laws of Maryland, Ch. No. 138

Procurement - Minority Business Enterprises - Reporting of Architectural Services and Engineering Services Contracts

- This bill requires State procurement units to disaggregate data on MBE procurements for architectural services and for engineering services that they report annually to GOMA, MDOT, and the Joint Committee on Fair Practices and Personnel Oversight. It also changes the statutory definitions of “architectural services” and “engineering services.” (Effective date - June 1, 2013; changes will be reported for the first time in FY2014)

2013 Laws of Maryland, Ch. No. 661

Evaluation of the Application of Minority Business Enterprise Program by the Public Service Commission

- This bill requires the Maryland Public Service Commission (PSC), MDOT and GOMA, in consultation with the OAG, to evaluate the feasibility and constitutionality of requiring the PSC to apply the provisions of the State’s MBE Program when exercising certain authority. The agencies must report the evaluation’s findings and recommendations to the General Assembly by December 1, 2013. (Effective Date - July 1, 2013; termination date - June 30, 2014.)

2013 Laws of Maryland, Ch. No. 662

Baltimore City - Video Lottery Operation Licensee - Employee Data Collection

- This bill requires the Baltimore City video lottery operation licensee to submit specific data to the State Lottery and Gaming Control Commission (SLGCC) on the age, sex, race, and county of residence of its employees in the previous year, by March 31st of every year. Within three months of receiving the data, SLGCC must submit a report containing the data to the Governor, the President of the Senate, and the Speaker of the House of Delegates and GOMA. SLGCC must adopt regulations to implement the bill. (Effective date - October 1, 2013.)

2013 Laws of Maryland, Ch. No. 3
Maryland Offshore Wind Energy Act of 2013

- This bill establishes an application and review process for proposed offshore wind projects by the Public Service Commission (Commission) and establishes a window of maximum rate impacts for both residential and nonresidential electric customers. Among other things, the bill creates a Maryland Offshore Wind Business Development Fund and Advisory Committee in the Maryland Energy Administration (MEA) to promote emerging businesses related to offshore wind, of which the Special Secretary of GOMA is a member. It also prohibits the Commission from approving an application for offshore wind projects until GOMA, in consultation with the OAG, and the applicant, has established a clear plan for setting minority business goals and related procedures. GOMA, in consultation with the OAG, must provide assistance to all potential applicants and potential minority investors. (Effect June 1, 2013; provisions regarding the task force terminate July 31, 2014.)

2013 Laws of Maryland, Ch. Nos. 200 and 201
Minority Business Enterprises - Participation and Goals and Subgoals

- This bill requires the Special Secretary of GOMA, in consultation with the Secretary of MDOT and the Attorney General, to establish guidelines for each procurement unit to use when determining the appropriate MBE participation goals for State procurement contracts. It extends the termination/sunset date of the MBE Program by one year, until July 1, 2017, while also deferring the completion date of a new disparity study by one year, to September 30, 2016. (Effective Date - October 1, 2013)



Future Outlook

The MBE Program has been evolving since its inception. As the business environment changes and technology expands, GOMA is continuously evaluating the Program's effectiveness and seeking ways to encourage greater participation. In FY2014 and FY2015, GOMA will focus on the following:

- **Heightening state agency MBE accountability; building upon improved MBE reporting.** GOMA will continue to hold agencies accountable on all areas of MBE compliance and best practices while seeking to improve access points and internal processes for gathering and reporting data.
- **Increasing utilization of the Small Business Reserve (SBR) Program.** GOMA will provide increased monitoring of the 23 State agencies currently under the SBR Program while working collaboratively to identify more opportunities for SBR designated procurements. GOMA will also work with DGS, legislators and stakeholders to establish policies that promote the continued growth of the SBR Program.
- **Expanding GOMA's outreach program.** GOMA will utilize technology and social media platforms to bring educational programs to small, minority- and women-owned businesses across the state while continuing to provide subject matter expertise as hosts and participants in workshops, seminars and conferences. In addition, GOMA will begin conducting an annual matchmaking event to connect small and minority business owners with public and private sector buyers that support diversity.
- **Increasing capacity of MBEs to perform as prime contractors.** GOMA will work with agency personnel and certified MBEs to implement the new policy guidelines regarding counting a portion of the work performed by MBE primes toward the minority participation contract goals and subgoals.
- **Stakeholder meetings.** GOMA will conduct regular stakeholder meetings to engage with business owners and stakeholders at large for the purpose of soliciting their input on policies and practices impacting the MBE and SBR programs.
- **Monitoring Subgoal performance.** GOMA will continue working with agency personnel to set subgoals when appropriate and will monitor subgoal performance. In addition, GOMA will seek stakeholder input on the existing subgoal policy in preparation for re-evaluating current subgoals and establishing new subgoals (if appropriate) in 2015.
- **Maryland Offshore Wind Business Development Fund and Advisory Committee** – GOMA will play a key leadership role in establishing policies and procedures relating to disbursement of funding to small, minority- and women-owned firms seeking business opportunities in the wind energy markets, particularly within Maryland.





William Donald Schaefer Tower
6 St. Paul St., Suite 1502
Baltimore, MD 21202
410-767-8232
877-558-0998 (Toll Free)
410-333-7568 (Fax)

www.goma.maryland.gov