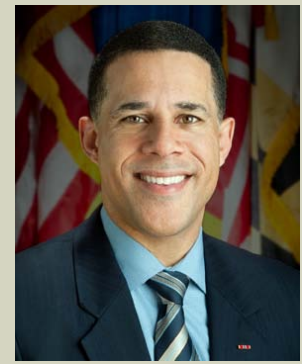




*Martin O'Malley*  
Governor



*Anthony G. Brown*  
Lt. Governor

# Minority Business Enterprise

## Fiscal Year 2010 Annual Report

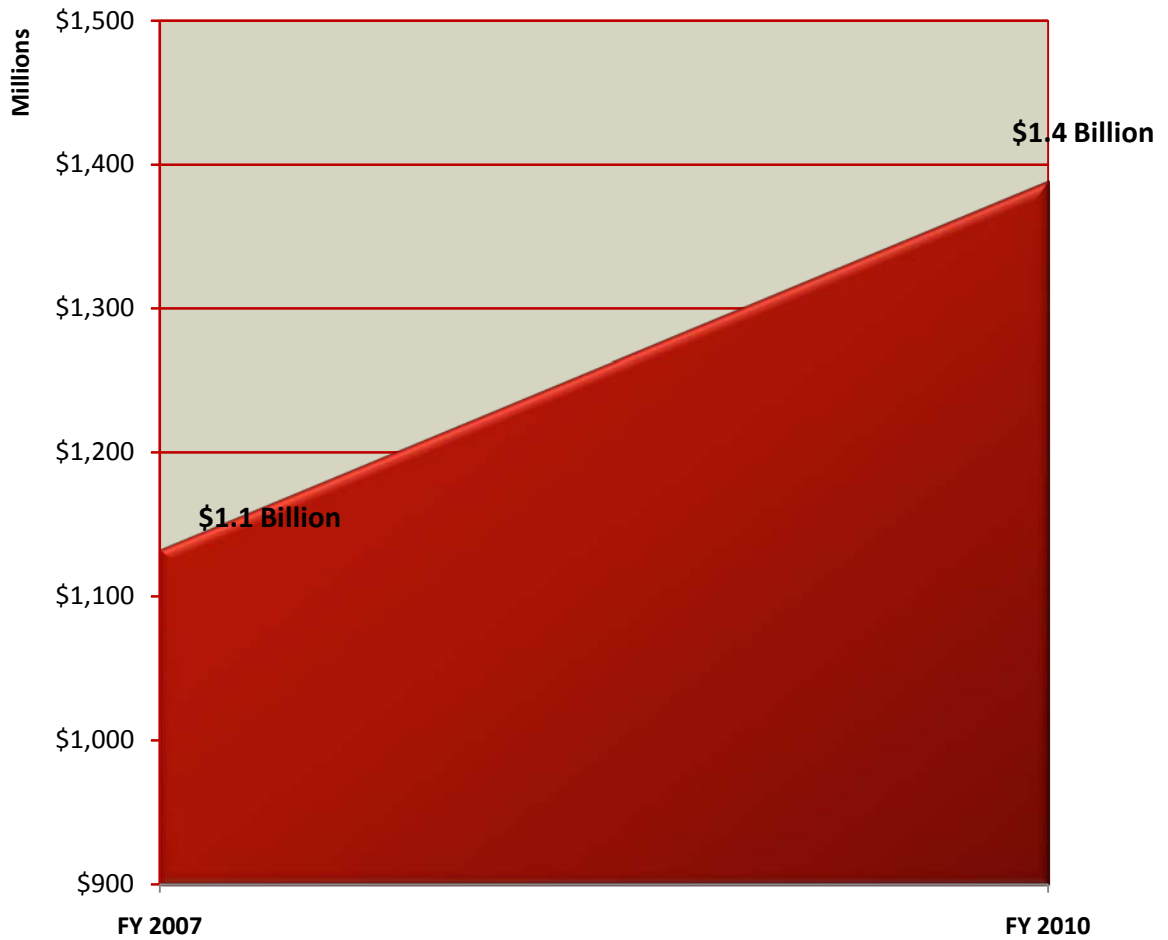


**Governor's Office of Minority Affairs**

Luwanda W. Jenkins, Special Secretary

Awards to MBE Firms Increased by 27% from FY 2007 to FY 2010  
(\$1.1 Billion in FY 2007 to \$1.4 Billion in FY 2010)

### Total MBE Award Dollars - FY 2007 & FY 2010



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## Message from Governor Martin O'Malley



Small, minority and women-owned businesses are the backbone of Maryland's economy and our progress as a State depends on their steady growth and prosperity. Here in Maryland, where diversity is truly our greatest strength, we are working hard to move our State forward by creating and saving jobs through innovation, expanding our upwardly mobile middle class, improving public safety, public education, and our quality of life.

To create the jobs and opportunities of the new economy, we are strengthening our State's small and minority businesses. Our efforts include expanding the small business tax credit; introducing a \$100 million InvestMaryland initiative that will unlock the venture capital and allow small and minority businesses to create thousands of jobs; and launching the Maryland Made Easy initiative to simplify and streamline the business licensing and permitting process in our State.

Maryland continues to weather this economic recession better than most states. We remain one of eight states to retain a Triple A bond rating, certified by all three rating agencies. Our unemployment rate is 22 percent less than the national average – the lowest level in two years.

Maryland's Minority Business Enterprise Program is making great strides. At a time when State spending is down overall, we increased MBE participation from 22% percent in FY 2009 to 23.2% in FY 2010 - the highest level ever attained during the history of the program. Both our cabinet agencies and Statestat reporting agencies reached the State's 25 percent goal. Payments to MBEs increased by 10% (from \$1.0 billion to \$1.1 billion) – this activity helped to create or save 19,145 jobs. Over the last 4 fiscal years, we have increased awards to MBEs by 27% and payments by 48%.

In partnership with our Executive Cabinet, the Maryland General Assembly, minority business advocates, and other stakeholders, Maryland has been able to maintain its reputation as a national leader in MBE. Working together, we will continue our commitment to creating jobs and expanding opportunity for all Marylanders, rather than fewer.

Sincerely,

A handwritten signature in black ink, which reads "Martin O'Malley". The signature is fluid and cursive, with the first name being the most prominent.

Martin O'Malley  
Governor

## Message from Lt. Governor Anthony G. Brown



Maryland is home to a rich and diverse community of small, minority and women-owned businesses. Minority business enterprises (MBEs) are one of the driving forces in Maryland's economic expansion and the development of our communities. Governor O'Malley and I are committed to maintaining and expanding their success.

As Chair of the Governor's Subcabinet on Base Realignment and Closure (BRAC), responsible for coordinating the planning for growth at Maryland's military installations and the communities surrounding them, I recognize that the federal 2005 BRAC recommendations will bring unprecedented opportunities for Maryland's small and minority business community.

To help MBEs access these opportunities, the O'Malley-Brown Administration has provided a wide range of information and resources. The MBE University Outreach Initiative, designed to connect MBEs with State and private sector contracting opportunities, has been critical to the long-term health and viability of MBEs. Since its inception in December 2009, the MBE University Conference Series has traveled to every region of the state, offering information and tools to our growing MBE community for successfully doing business with the State.

In addition, we have formed partnerships with military installations, commands and alliances, chamber groups, and defense contractors to better educate the business community about BRAC and the vital role for small and minority businesses. During FY 2010, our increased outreach provided approximately 250 small and minority information technology firms with unprecedented access to top Fort Meade tenants and government contractors to support Cyber Command efforts.

Small and minority firms also received an update from the Aberdeen Proving Ground Command Staff on their transition activities and on how to conduct business with Aberdeen Proving Ground. Earlier this year, we partnered with Whiting-Turner Contracting Company for the Warrior Transition Unit Project for the National Naval Medical Center to provide small and minority firms with access to contracting opportunities.

Maryland's BRAC and Cyber-ready minority and women-owned firms provide a strategic advantage for Maryland as well as vital partners for Department of Defense contractors currently supporting our nation throughout Maryland's military facilities. With the support of our partners in the private and federal sector, we will continue to strengthen our commitment to Maryland's robust minority business enterprises.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anthony G. Brown'. The signature is fluid and cursive, written over a light-colored background.

Anthony G. Brown  
Lt. Governor

## Message from Special Secretary Luwanda W. Jenkins



I am pleased to present this Fiscal Year 2010 Annual Report for the Governor's Office of Minority Affairs which provides a comprehensive view of our efforts to assist Maryland's minority-owned firms during these challenging economic times.

Our accomplishments on behalf of broad-based minority business inclusion span the breath and width of State spending and managed activity. This report provides analysis and performance measures on State Agency procurement activity; the State's Small Business Reserve Program; utilization of minority investment managers and brokers for State investment funds; and Minority Business Enterprise (MBE) compliance on Video Lottery Terminal activity.

At a time when the State of Maryland experienced the most significant budget cutbacks in recent history, MBE participation continued to rise, including increases in MBE prime contracting. I am especially proud that our efforts to expand our pro MBE culture beyond State of Maryland activity has generated unprecedented inclusion of our minority firms in areas such as Base Realignment and Closure (BRAC), and American Recovery and Reinvestment Act (ARRA) funded activity.

Maryland's MBE Program continues to lead the way as a beacon for other States, and our policies and best practices are shared with public officials across the nation. However, the true measure of success is the economic impact that Maryland's thriving MBE firms contribute to the tax base and job creation statewide. In Fiscal Year 2010 the State made \$1.1 billion in payments to MBE firms for services rendered on State contracts and procurements, which generated \$42 million in tax revenues and helped create or save more than 19,000 jobs.

Our MBE Program and advocacy have assisted the highly talented and hard working minority and women business owners in Maryland while building capacity to help fuel the State's economy for the future. I sincerely hope you are enlightened by the information contained in this report and continue to support the important mission of the Governor's Office of Minority Affairs.

Sincerely,



Luwanda W. Jenkins  
Special Secretary

## Accomplishments

Under the leadership of the O'Malley-Brown Administration and in partnership with State procurement agencies, private sector partners, and the minority business community, the Governor's Office of Minority Affairs continues to make steady strides in its efforts to provide increased access to information and opportunities for small, minority and women-owned businesses. Key accomplishments include:

- ✓ Achieved 25% MBE participation across State cabinet agencies, and StateStat reporting agencies, (24.5% and 24.7, respectively).
- ✓ Achieved 23.2% MBE participation across State government - the highest level attained during the 33 years of the program.
- ✓ Secured legislative approval for extending the State's Small Business Reserve Program for an additional six years.
- ✓ Implemented the Governor's MBE University Outreach Initiative to further assist minority businesses with maximizing State-sponsored business opportunities and resources - hosted three statewide regional conferences during this fiscal year.
- ✓ Released 2<sup>nd</sup> edition of the first ever minority business enterprise resource supplement to *The Daily Record* newspaper.
- ✓ Created in-roads for small and minority firms to obtain access to BRAC related opportunities through partnerships with Maryland's military alliances and Federal Defense contractors - collaborative efforts resulted in four outreach events.

### **About the MBE Program**

Maryland's MBE Program, established 33 years ago by groundbreaking legislation, was created to assist minority and women-owned firms in gaining greater access to State government procurement and contracting opportunities. The Program requires more than 50 State agencies/departments to structure procurements for maximum inclusion of MBEs towards attaining the statewide 25% participation goal. Maryland,

- Has the highest goal in the nation.
- Remains one of a few states with a program in State statute.
- Is the only state that collects uniform reporting data, including payments to MBEs.

### **About the Governor's Office of Minority Affairs (GOMA)**

GOMA is the primary advocate for the State's nearly 250,000 minority and women-owned businesses, and is a one-stop shop for information, referral, and support. GOMA is responsible for statewide oversight and compliance of both the MBE and the Small Business Reserve (SBR) Programs, and serves in an advisory capacity to the Governor on key MBE issues in the State. GOMA,

- Helps State agencies make the MBE Program work.
- Helps small, minority and women-owned firms do business with the State.



## Economic Impact of Maryland's MBE Program – Creating Jobs

The MBE Program supports the State's economic development goals of job creation, expanded industry, and increased tax revenues. The Office of Research of the Maryland Department of Housing and Community Development (DHCD)<sup>1</sup> in collaboration with the Governor's Office of Minority Affairs (GOMA) estimated the direct, secondary and total statewide economic impacts resulting from MBE participation on procurement payments made by State agencies.<sup>2</sup>

In FY 2010, the State made \$1.1 billion in procurement payments to MBE firms which helped create or save 19,145 jobs (12,027 direct jobs and 7,119 secondary jobs); resulted in \$631.8 million in direct and secondary wages and salaries; and approximately \$41.5 million in direct and secondary State and local tax revenues. The MBE Program generated a total of \$1.52 in total economic impact per dollar of State procurement funds which translates into \$1.7 billion of total economic benefit.

<b>Economic Impact of MBE Procurement Payments in Maryland: FY 2010</b>			
<b>Impact Indicator</b>	<b>Direct</b>	<b>Secondary</b>	<b>Total</b>
Expenditures (\$millions)	\$994.5	\$703.5	\$1,698.0
Per \$1 of MBE Payments	\$0.89	\$0.63	\$1.52
Employee Income (\$millions)	\$373.0	\$258.8	\$631.8
Employment (Full-Time Equivalent Jobs)	12,027	7,119	19,145
Per \$1 million of MBE Payments	11	6	17
State Tax Receipts (\$millions)	\$16.6	\$11.6	\$28.1
Retail Sales Tax	\$5.9	\$3.7	\$9.6
Personal Income Tax	\$10.7	\$7.9	\$18.6
Local Income Surtax (\$millions)	\$7.8	\$5.6	\$13.4
State and Local Tax Receipts (\$millions)	\$24.4	\$17.2	\$41.5
Per \$1 million of MBE Payments	\$21,899	\$15,397	\$37,295

## MBE Inclusion in Maryland's American Recovery and Reinvestment Act

The American Recovery and Reinvestment Act (ARRA) was signed into law by President Barak Obama to February 2009 in an effort to jump-start the economy. As part of the recovery, Maryland will receive approximately \$7.18 billion in ARRA funds from 2009-2011 to support a wide range of activity such as transportation infrastructure, education, energy conservation, weatherization, environmental infrastructure, and health and human services programs.

Given Maryland's pro-minority business culture and inclusion standards set by the O'Malley-Brown Administration, the State's MBE goals and policies were applied to Maryland's ARRA funded projects. Since February 2009, minority business enterprises/disadvantaged business enterprises (MBEs/DBEs) were awarded \$167.6 million in procurements and contracts, for a participation rate of 19% on projects that were fully or partially funded by ARRA.

<sup>1</sup> The economic impact estimates were obtained through the Resource Allocation Model of DHCD (RAM-DHCD), based on the nationally known IMPLAN input-output system of the University of Minnesota IMPLAN Group.

<sup>2</sup> The economic impact estimates are based on FY 2010 Payment Data provided by over 60 State procurement agencies.



**ARRA Minority Business Enterprise / Disadvantaged Business Enterprise (MBE/DBE)  
Participation on Contracts & Grants by Reporting Agency**  
(Agency Data thru 6/30/10)

Agency	Total Contract / Project Award Amount (all funding sources)	ARRA Funds Associated with Contract Award	MBE/DBE Commitment Amount	MBE % of ARRA Funds
Education (Contracts & Grants to Local Agencies)	\$184,387,742	\$179,591,059	\$6,785,165	3.78%
Environment (Water Quality Grants to Local Jurisdictions)	\$431,348,918	\$128,865,230	\$76,254,179	33.32%
Housing & Community Development (Weatherization Grants to Local Agencies)	\$44,519,500	\$44,519,500	\$3,256,356	7.31%
Transportation (MDOT) Total	\$414,953,587	\$339,742,995	\$81,312,724	23.93%
<i>MDOT - Aviation Administration</i>	<i>\$36,778,944</i>	<i>\$15,000,000</i>	<i>\$9,200,314</i>	<i>61.34%</i>
<i>MDOT - State Highway</i>	<i>\$315,513,427</i>	<i>\$262,081,780</i>	<i>\$52,063,640</i>	<i>19.87%</i>
<i>MDOT - State Highway/Baltimore City</i>	<i>\$14,805,405</i>	<i>\$14,805,405</i>	<i>\$5,624,235</i>	<i>37.99%</i>
<i>MDOT - Transit Administration</i>	<i>\$47,855,811</i>	<i>\$47,855,811</i>	<i>\$14,424,534</i>	<i>30.14%</i>
<b>Total</b>	<b>\$1,075,209,747</b>	<b>\$692,718,784</b>	<b>\$167,608,424</b>	<b>19.39%</b>

A significant portion of the State's ARRA funds are distributed in the form of grants to local jurisdictions and are not direct state-controlled procurements. Education, Environment, and Housing & Community Development are examples of agencies with ARRA grant funds which are passed on to local jurisdictions that report on MBE/DBE participation. While these are largely pass through grants State agencies have encouraged MBE inclusion to the fullest extent possible. This effort is yielding MBE returns.

\*Environment has two projects where the MBE participation exceeds the ARRA funding. The MBE % has been calculated to exclude the MBE amounts in excess of the ARRA funds for those projects.

Additional Notes:

Education's awards are almost entirely grants to local agencies that do not include contracting. The MBE/DBE Commitment Amount includes the purchase of supplies and equipment in support of the grants.

The Transportation total is the sum of the Aviation, State Highway, State Highway/Baltimore City, and Transit totals.

## **Efforts to Increase Access to Base Realignment and Closure (BRAC) Opportunities for Small and Minority Businesses**

Maryland's BRAC and Cyber ready minority and women-owned firms provide a strategic advantage for the State and a vital source of teaming partners for the Department of Defense contractors currently supporting the mission throughout Maryland's military facilities. GOMA's primary focus during this period has been to position Maryland's BRAC ready minority-owned firms for contracting opportunities with federal agencies and teaming with prime contractors.

### ***Business Assistance***

GOMA has responded to hundreds of BRAC related inquiries from small, minority and women-owned firms throughout the State of Maryland. Partnerships have been formed with organizations, alliances, chamber groups, and defense contractors to better educate the business community about BRAC and the vital role for small and minority businesses. GOMA facilitated workshops and participated in small business forums and panels, and organized training sessions related to BRAC security clearance issues and doing business with contracting agencies in Montgomery and Howard Counties, and at Ft. Detrick.

### ***Outreach and Events***

Outreach efforts remain a high priority for the small and minority business community. Key outreach activity included:

- **BRAC Small and Minority Business Advisory Board Informational Forum**  
The BRAC Small and Minority Business Advisory Board partnered with Microsoft, Aberdeen Proving Ground C4ISR, and Whiting Turner Construction Company to host an informational forum for members of the advisory board and the small and minority business community.
- **Warrior Transition Unit Project Industry Day Opportunity Fair for Small and Minority Businesses**  
GOMA co-hosted a one day procurement fair with the Whiting Turner Construction Company, who was awarded a \$181 million dollar contract for the design and construction of the Warrior Transition Unit at the Walter Reed National Military Medical Center in Bethesda.
- **Fort Meade Regional Minority and Small Business Government Contracting IT Forum**  
GOMA teamed up with the Fort Meade Alliance to host a half day government contracting information technology opportunity fair with an emphasis on business opportunities in the Fort Meade region for small and minority businesses that are BRAC and Cyber Ready. This first of its kind teaming event offered unprecedented access to top Fort George G. Meade tenants and government contractors for 250 small and minority firms.
- **Aberdeen Proving Ground Military Installation Luncheon**  
GOMA in partnership with the Army Alliance hosted a luncheon for small and minority firms to meet and network with command staff and key personnel from Aberdeen Proving Ground (APG), U.S. Army Corps of Engineers, and representatives from APG's general contractors, Raytheon and Joint Research and Development, Inc. (JRAD).

### **Usage of Minority Investment Managers and Brokers for State Operated Investment Funds**

The State of Maryland has taken great strides over the past three years since the 2008 Legislative Session passage of Senate Bill 606/House Bill 1277. The State Treasurer, Maryland Automobile Insurance Fund (MAIF), Injured Workers Insurance Fund (IWIF), and State Retirement and Pension System (SRPS) are consistent with the MBE purchasing standards in the current law and with their respective fiduciary responsibilities. GOMA's current advisory role is consistent with the requirements stated in Senate Bill 606 / House Bill 1277 to provide "technical assistance to State agencies regarding efforts to achieve the MBE program goals".

GOMA continues to support and promote the inclusion of MBEs in all areas within the financial services industry. GOMA's intent is to increase the transparency of government procurement opportunities and activity within the brokerage and investment services arena. Currently, (100) MBEs has been retained by the State Treasurer, MAIF, IWIF, and SRPS collectively. Of this total, (49) were minority brokers and (51) were minority investment managers. There were (10) MBEs that were headquartered or had offices in Maryland – (3 brokers) FRS Securities, Loop Capital Markets, and Percival Partners – (7 investment managers) Brown Capital Management, Charter Financial Group, Credo Capital Management, New Century Advisors, Profit Investment Management, RLJ Equity Partners, and Xavier Capital Management.

The following tables illustrate the overall progress to date. The tables below highlight the utilization of minority investment managers and brokers from Fiscal Year 2008-2010. Both tables measure progress slightly differently. Minority investment broker progress is measured by the increase or decrease in the number of MBEs utilized from financial transactions. Minority investment manager progress is measured by the increase or decrease of both assets managed and the number of minority investment managers utilized.

#### Utilization of Minority Investment Managers – Fiscal Years 2008-2010 Comparison

AGENCY	FY 2008		FY 2009		FY 2010		% Increase in Assets Managed by MBEs from FY 2008 – FY 2010
	# Minority Investment Managers	Assets Managed (\$millions)	# Minority Investment Managers	Assets Managed (\$millions)	# Minority Investment Managers	Assets Managed (\$millions)	
Automobile Insurance Fund	0	\$0.0	2	\$7.3	2	\$42.0	*
Injured Workers Insurance Fund	1	\$30.0	4	\$85.0	4	\$92.4	208.0%
Retirement & Pension System	7	\$326.5	45	\$1,253.4	45	\$2,906.4	790.2%

\*MAIF's increase is substantial since there were no assets managed by Minority Investment Managers in Fiscal Year 2008.

**Note:** The State Treasurer, due to operational structure, does not provide external investment manager opportunities.

Source: GOMA

#### Utilization of Minority Investment Brokers – Fiscal Years 2008-2010 Comparison

AGENCY	FY 2008	FY 2009	FY 2010	% Increase of MBEs utilized from FY 2008 – FY 2010
	# MBE Investment Brokers	# MBE Investment Brokers	# MBE Investment Brokers	
Treasurer	10	14	14	40.0%
Retirement & Pension System	Not Available	Not Available	35	**

\*\*SRPS' minority investment broker information has been only available since 2010. Therefore, a cumulative increase cannot be calculated.

Source: GOMA

## MBE Outreach – Helping Maryland’s Minority and Women-Owned Firms Do Business with the State of Maryland

A critical part of GOMA’s mission is to assist minority and women-owned firms with accessing resources to sustain business growth and navigating the State’s contracting and procurement process. GOMA has partnered with State procurement agencies and various business chambers, advocacy, and trade groups on outreach events and activities in every part of the State. GOMA’s efforts have been expanded to include the second release of the first ever minority business resource supplement to *The Daily Record* newspaper; and implementation of Governor O’Malley’s MBE University Initiative.

### Minority Business Enterprise Resource Supplement

GOMA once again, partnered with *The Daily Record* newspaper to produce the 2010 edition of “*Minority Business Enterprise...More Business for Everyone in Maryland*” supplement which was distributed across the State. Highlights included: access to capital resources; how minority companies are benefitting from stimulus funded projects; growing jobs with new green energy technologies; BRAC and High-Tech opportunities; economic impact of the State’s MBE Program; and tips for doing business with the State as a minority or woman-owned business.

### **MBE University – Maryland is Open for Business!**

In an effort to further assist small, minority and women enterprises with maximizing state-sponsored business opportunities and resources, the O'Malley-Brown Administration launched the MBE University initiative in Prince George's County in December 2009. MBE University is as a road show conference series offering training and information on how to do business with the State of Maryland. During FY 2010, MBE University has traveled to the Central Region-Baltimore, Southern Maryland-LaPlata, and the Eastern Shore-Salisbury drawing nearly 1,000 attendees. MBE University was created in collaboration with the State's minority business coordinating agencies and the Governor's Office. GOMA is the lead agency implementing this effort.

The Conferences featured minority business roundtable sessions led by Governor O'Malley and Lt. Governor Brown to address challenges and opportunities of doing business in Maryland. The workshops focused on how to do business with the state as a MBE, respond to bid solicitations, how to become certified or expand existing certification, upcoming bid opportunities, access to capital, MBE-related laws, the importance of commercial insurance, partnering and teaming arrangements, niche marketing, public/private partnerships and federal contracting. Private sector sponsors also conducted workshops on how to do business with their respective organizations. During FY 2011, MBE University will visit Montgomery County, Western Maryland-Hagerstown, and Harford County.



## Legislative Highlights

With the leadership of the O'Malley-Brown Administration, Legislative Black Caucus of Maryland, other key Legislators and minority business advocates, the Maryland General Assembly passed several initiatives that impacted small, minority and women-owned businesses during the 2010 Legislative Session. The following is a summary of legislation that became law effective between June 1, 2010 and October 1, 2010.

House Bill and/or Senate Bill	Bill Title and Summary
HB 68	<b>Department of the Environment – Grants – Small Businesses and Certified Minority Business Enterprises.</b> Requires applicants for financial assistance over \$500,000 from the Chesapeake and Atlantic Coastal Bays Nonpoint Source Fund to demonstrate, to the satisfaction of the Department, that certain steps were taken to include small businesses, certified minority business enterprises, and certified women-owned businesses in the completion of their projects. Also authorizes the Department of the Environment to withhold financial assistance if it is dissatisfied with the applicant's efforts.
HB 209	<b>General Obligation Bonds for Capital Projects - Required Reports.</b> Requires a hospital or institution of higher education using State General Obligation Bond funds of at least \$500,000, to complete a capital project, to submit reports to the Governor's Office of Minority Affairs regarding the extent to which the entity has used or will use any part of the funds for contracts with minority-owned businesses and MBE outreach efforts.
SB 02 HB 222	<b>Task Force on the Minority Business Enterprise Program and Equity Investment Capital.</b> Reauthorizes Task Force on the MBE Program and Equity Investment Capital until May 31, 2011. The Task Force studies how to facilitate the acquisition of investment equity capital by minority business enterprises in Maryland.
SB 71	<b>Procurement – Small Business Reserve Program – Sunset Provision.</b> Extends the Sunset Provision of the SBR program for 6 years - until June 2016.
SB 208 HB 834	<b>State Treasurer - Permissible Investments - Linked Deposit Program.</b> Changes the permissible investments that the State Treasurer can make with financial institutions participating in the Program from certificates of deposits only to other interest bearing deposits.
SB 130 HB 250	<b>Procurement - Minority Business Enterprises - Reciprocal Certification.</b> Requires the Board of Public Works to adopt regulations which recognize and accommodate minority business enterprises certified by the U.S. SBA or Maryland counties, for the purpose of reciprocal MBE certification under the State's MBE program. Also requires the Board of Public Works to keep records and submit an annual report to the General Assembly about reciprocal certification.
SB 131 HB 251	<b>State Procurement - Minority Business Enterprises - Electronic Certification Process.</b> Requiring the Board of Public Works to adopt regulations that promote and facilitate the submission of MBE certification applications through an electronic process.
SB 546 HB 923	<b>Procurement - Minority Business Enterprises - Review of Application for Certification and Notice to Applicant.</b> Requires the Board of Public Works to adopt regulations that require the agency designated to certify minority business enterprises to complete its review of completed applications and provide notice of its decision to the applicant, absent extenuating circumstances, within 90 days of submission.
SB 849	<b>Procurement - Minority Business Enterprise Directory - List of Contracts.</b> In addition to the data provided to GOMA in the Annual MBE Reports, this law requires agencies to report the total number and names of MBEs that participated in their procurements as prime or subcontractors. Also a description of each project must be included in the reports.



## Small Business Reserve (SBR) Program

Maryland’s Small Business Reserve (SBR) Program is an innovative approach to creating access to business opportunities, and is consistent with the State’s overarching goal to continue to support the viability of small businesses. The SBR Program, created in 2004, is a race-neutral program that allows small businesses to participate as direct, prime contractors on State contracts with 23 designated agencies.

Under the State Procurement Law, these agencies are required to spend at least 10 percent of their total fiscal year procurement expenditures with small businesses — Sections 14-501–14-505, State Finance and Procurement Article, Maryland Code Chapter 75, Laws of 2004. Additionally, small businesses who meet the SBR size standards as defined under the law must self-register for the Program through the Department of General Services (DGS). Annual registration renewal is also required.

This past year has been one of steady growth and gains for Maryland’s small businesses and the progress continues in the overall volume of procurement and contract payments going to participating SBR firms. Total aggregate SBR payments made by agencies continue to expand, with \$188 million paid to SBR firms in FY 2010 compared to \$147.6 million in FY 2009, which represents a 27% increase. The average percentage of SBR payments made by all agencies in FY 2010 was 6.2 percent, slightly higher than the 5.6 percent reported in FY 2009. Exhibits 1 and 2 provide relevant statistical detail.

Small Business Reserve Program Timeline																						
April 2004	<p>Legislation passed establishing the program as a 3-year pilot with 22 designated agencies. It also:</p> <ul style="list-style-type: none"> <li>• Required DGS to develop and maintain a database and to manage all functions related to SBR Program vendor registration.</li> <li>• Included sunset date of September 30, 2007.</li> <li>• Defined small business criteria as the following: <ul style="list-style-type: none"> <li>○ The business is independently owned and operated; the business is not a subsidiary of another business; the business is not dominant in its field of operations.</li> </ul> </li> </ul> <table border="1"> <thead> <tr> <th>Category</th> <th>Maximum # of Employees</th> <th>Maximum Average Gross Sales Over Last 3 Fiscal Years</th> </tr> </thead> <tbody> <tr> <td>Wholesale</td> <td>50</td> <td>\$2 million</td> </tr> <tr> <td>Retail</td> <td>25</td> <td>\$2 million</td> </tr> <tr> <td>Manufacturing</td> <td>100</td> <td>\$2 million</td> </tr> <tr> <td>Service</td> <td>100</td> <td>\$2 million</td> </tr> <tr> <td>Construction</td> <td>50</td> <td>\$7 million</td> </tr> </tbody> </table>	Category	Maximum # of Employees	Maximum Average Gross Sales Over Last 3 Fiscal Years	Wholesale	50	\$2 million	Retail	25	\$2 million	Manufacturing	100	\$2 million	Service	100	\$2 million	Construction	50	\$7 million			
Category	Maximum # of Employees	Maximum Average Gross Sales Over Last 3 Fiscal Years																				
Wholesale	50	\$2 million																				
Retail	25	\$2 million																				
Manufacturing	100	\$2 million																				
Service	100	\$2 million																				
Construction	50	\$7 million																				
October 2004	Program goes into effect.																					
April 2006	<ul style="list-style-type: none"> <li>• GOMA assumed responsibility for implementation of the Program and formed the SBR Agency Workgroup.</li> <li>• Agencies required to develop annual strategic plans.</li> </ul>																					
April 2007	Program extended through September 2010.																					
April 2008	<ul style="list-style-type: none"> <li>• Department of Budget and Management no longer participating in the Program.</li> <li>• Added 2 agencies: Department of Information Technology and Maryland Transportation Authority.</li> <li>• Modified the average gross sales requirements:</li> </ul> <table border="1"> <thead> <tr> <th>Category</th> <th>Maximum # of Employees</th> <th>Maximum Average Gross Sales Over Last 3 Fiscal Years</th> </tr> </thead> <tbody> <tr> <td>Wholesale</td> <td>50</td> <td>Raised to \$4 million</td> </tr> <tr> <td>Retail</td> <td>25</td> <td>Raised to \$3 million</td> </tr> <tr> <td>Service</td> <td>100</td> <td>Raised to \$10 million</td> </tr> <tr> <td>Architecture &amp; Engineering (new)</td> <td>100</td> <td>\$4.5 million</td> </tr> <tr> <td>Manufacturing (no change)</td> <td>100</td> <td>\$2 million</td> </tr> <tr> <td>Construction (no change)</td> <td>50</td> <td>\$7 million</td> </tr> </tbody> </table>	Category	Maximum # of Employees	Maximum Average Gross Sales Over Last 3 Fiscal Years	Wholesale	50	Raised to \$4 million	Retail	25	Raised to \$3 million	Service	100	Raised to \$10 million	Architecture & Engineering (new)	100	\$4.5 million	Manufacturing (no change)	100	\$2 million	Construction (no change)	50	\$7 million
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Manufacturing (no change)	100	\$2 million																				
Construction (no change)	50	\$7 million																				
April 2010	Program extended through September 2016.																					

**Exhibit 1: Total SBR Payments by 23 Agencies for FY 2010**

	<b>AGENCY NAME</b>	<b>Total FY 2010 Procurement Expenditures</b>	<b>SBR GRAND TOTAL</b>	<b>FY 2010 Agency SBR %</b>
1	Business & Economic Development	\$6,908,079	\$1,677,206	24.3%
2	Education	\$88,898,478	\$4,346,836	4.9%
3	Environment	\$14,113,790	\$1,430,000	10.1%
4	General Services	\$133,388,495	\$18,607,893	14.0%
5	Health & Mental Hygiene	\$208,823,415	\$9,454,892	4.5%
6	Housing & Community Development	\$8,039,684	\$1,685,609	21.0%
7	Human Resources	\$525,161,579	\$11,965,265	2.3%
8	Information Technology	\$21,308,093	\$3,177,607	14.9%
9	Insurance Administration	\$1,869,784	\$223,973	11.9%
10	Juvenile Services	\$141,593,500	\$2,271,714	1.6%
11	Labor, Licensing & Regulation	\$23,892,265	\$2,800,972	11.7%
12	Lottery	\$41,302,540	\$513,793	1.2%
13	Morgan State University	\$27,473,511	\$2,451,047	8.9%
14	Natural Resources	\$38,449,712	\$6,091,242	15.8%
15	Public Safety & Correctional Services	\$325,620,966	\$11,469,269	3.5%
16	Retirement	\$7,419,180	\$318,565	4.3%
17	Stadium Authority	\$22,662,608	\$2,490,835	11.0%
18	State Police	\$26,626,070	\$1,944,993	7.3%
19 20 21	Transportation Port Administration MD Transportation Authority	\$584,534,663	\$63,365,960	10.8%
22	Treasurer's Office	\$1,533,222	\$340,967	22.2%
23	University System of Maryland	\$787,256,988	\$41,424,289	5.26%
	<i>Bowie State University</i>	\$16,219,964	\$1,545,060	9.5%
	<i>Coppin State University</i>	\$10,593,142	\$1,085,507	10.3%
	<i>Frostburg State University</i>	\$12,285,468	\$3,056,415	24.9%
	<i>Salisbury State University</i>	\$11,929,566	\$2,242,974	18.8%
	<i>Towson University</i>	\$42,502,046	\$2,177,162	5.1%
	<i>University of Baltimore</i>	\$14,782,522	\$936,801	6.3%
	<i>University of MD, Baltimore</i>	\$231,789,325	\$3,325,815	1.4%
	<i>University of MD, Baltimore County</i>	\$44,204,932	\$1,425,917	3.2%
	<i>University of MD, College Park</i>	\$347,921,754	\$21,093,938	6.1%
	<i>University of MD, Eastern Shore</i>	\$10,344,090	\$841,789	8.1%
	<i>University of MD, University College</i>	\$44,684,179	\$3,692,911	8.3%
	<b>TOTAL</b>	<b>\$3,036,876,622</b>	<b>\$188,052,027</b>	<b>6.2%</b>

Source: GOMA



**Exhibit 2: Percentage of SBR Expenditures Reported by 22 Participating Agencies, FY 2009–FY 2010**

	<b>AGENCY NAME</b>	<b>FY 2009 Agency SBR (%)</b>	<b>FY 2010 Agency SBR (%)</b>
1	Business & Economic Development	14.6	24.3
2	Education	4.0	4.9
3	Environment	4.6	10.1
4	General Services	12.4	14.0
5	Health & Mental Hygiene	4.1	4.5
6	Housing & Community Development	9.7	21.0
7	Human Resources	3.2	2.3
8	Insurance Administration	5.5	11.9
9	Juvenile Services	2.2	1.6
10	Labor, Licensing & Regulation	13.2	11.7
11	Lottery	0.3	1.2
12	Morgan State University	10.7	8.9
13	Natural Resources	11.6	15.8
14	Public Safety & Correctional Services	4.5	3.5
15	Retirement	6.3	4.3
16	Stadium Authority	11.8	11.0
17	State Police	7.0	7.3
18	Transportation	6.4	7.9
19	Port Administration		
20	MD Transportation Authority		
21	Treasurer's Office	11.1	22.2
22	University System of Maryland	4.88	5.26
	<i>Bowie State University</i>	9.5	9.5
	<i>Coppin State University</i>	11.2	10.3
	<i>Frostburg State University</i>	7.5	24.9
	<i>Salisbury State University</i>	13.0	18.8
	<i>Towson University</i>	6.0	5.1
	<i>University of Baltimore</i>	5.7	6.3
	<i>University of MD, Baltimore</i>	1.1	1.4
	<i>University of MD, Baltimore County</i>	2.5	3.2
	<i>University of MD, College Park</i>	7.0	6.1
	<i>University of MD, Eastern Shore</i>	11.7	8.1
	<i>University of MD, University College</i>	10.9	8.3
	<b>TOTAL</b>	<b>5.6</b>	<b>6.2</b>

Source: SBR Annual Report

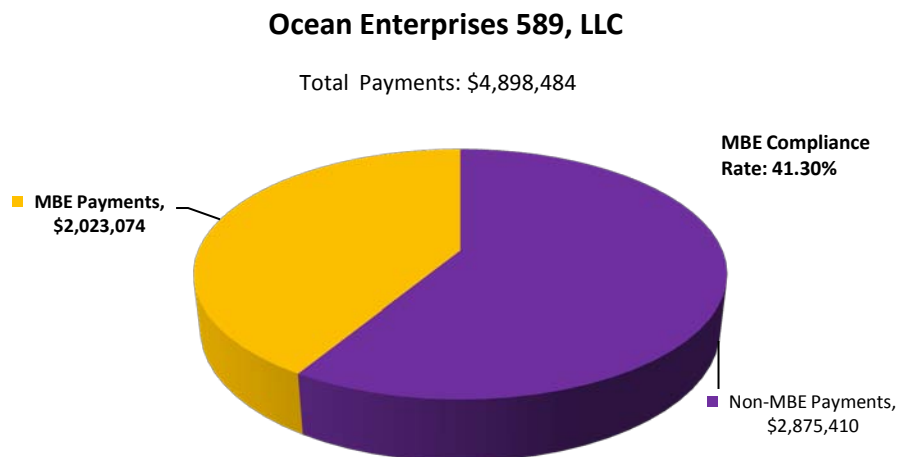
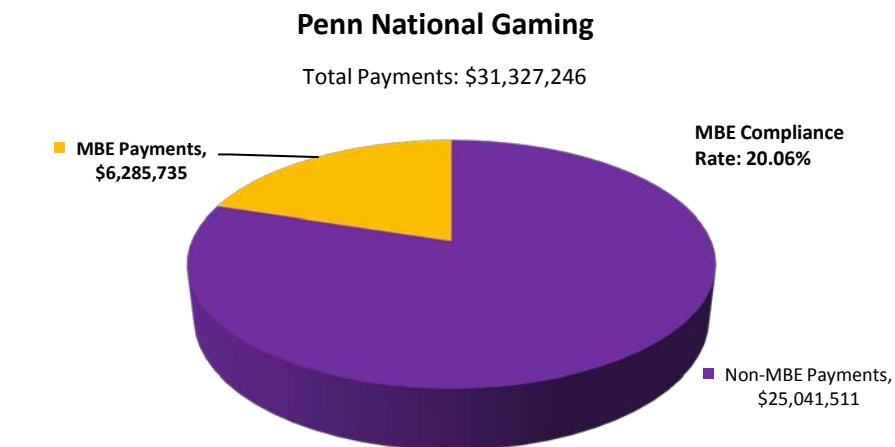
*Note: The Governor's Office of Minority Affairs is responsible for oversight and compliance of the SBR Program. The Maryland Department of General Services administers the online vendor registration process.*

## Video Lottery Terminal Facilities' MBE Compliance

Pursuant to the Video Lottery Terminal (VLT) Law passed during the 2008 Legislative Session, the Maryland VLT Location Commission approved up to five (5) VLT Operation Licenses to operate gaming facilities at various authorized locations within the State of Maryland. Currently, three licenses have been issued and associated facility locations approved by the Commission. The approved licenses/sites are Penn Cecil Maryland Inc. in Cecil County, Ocean Enterprises 589 LLC in Worcester County, and PPE Casino Resorts Maryland in Anne Arundel County.

Under the VLT Law, the Governor's Office of Minority Affairs (GOMA) is required to monitor and report to the Commission, each VLT Licensee's compliance with the Minority Business Enterprise (MBE) requirements, specifically as they relate to: a) construction of the physical VLT facility, and b) any other procurements related to the development/design, management and operation of the VLT facility. The VLT law is found in State Government Article, Title 9, Subtitle 1A, Annotated Code of Maryland. Section 9-1A-10 outlines the MBE requirements for all VLT licensees, and the scope and timeline for GOMA's involvement in monitoring Licensees' compliance with MBE requirements.

The Cecil County and Worcester County sites each have an overall MBE goal of 25%. As of June 30, 2010, Penn had achieved 20.06% MBE participation, and Ocean had achieved 41.3%. The Anne Arundel County location has not yet moved forward with development due to pending zoning issues.



## MBE Program Progress – Analysis of State Procurement Agency Performance for FY 2010

The State of Maryland maintains one of the nation’s more aggressive minority business participation programs. Its 25% participation goal is ambitious, and takes place in the following context – 31.1% of Maryland’s businesses are categorized as minority-owned and 32.6% of the State’s businesses are owned by women of any race or ethnicity.

Notwithstanding those percentages, the 25% goal has been challenging to achieve since State agencies may count only the participation of minority and women-owned businesses that receive Minority Business Enterprise (MBE) certification from the Maryland Department of Transportation’s Office of Minority Business Enterprise. It is within this framework that State procurement agencies continue to make impressive gains toward achieving greater inclusion of minority and women-owned firms in the area of State contracting and procurement. The following analysis is provided by Sage Policy Group, Inc. and the Governor’s Office of Minority Affairs.

### **Performance Relative to Major Goal**

***Total contract award dollars to certified MBEs rose to 23.2% in Fiscal Year 2010, up from 22.2% in FY 2009 and 20.3% in FY 2008.***

State procurement declined for the first time in FY 2010. The total value of State of Maryland prime contract award dollars decreased from \$7.5 billion in FY 2009 to \$6.0 billion in FY 2010. Despite the decline in overall contract awards, the MBE participation percentage increased to 23.2% from 22.2% in FY 2009.

Although FY 2010 total State contract award dollars were less than FY 2008 totals, overall MBE award dollars actually rose over this two-year period. Please see Exhibit 1 for relevant statistical detail.

**Exhibit 1: MBE Awards by Fiscal Year, 2008-2010**

<b>Fiscal Year</b>	<b>Total Awards</b>	<b>Total MBE Awards</b>	<b>Total MBE Participation</b>
<b>2010</b>	<b>\$5,995,774,983</b>	<b>\$1,388,475,881</b>	<b>23.2%</b>
2009	\$7,450,004,264	\$1,652,187,900	22.2%
2008	\$6,454,144,304	\$1,308,805,558	20.3%

*Source: Governor’s Office of Minority Affairs (GOMA)*

***The State continues to make progress towards achieving the goal of awarding 25% of total contract dollars to MBEs.***

Maryland’s MBE law (Section 14-302 of the State Finance and Procurement Article, Annotated Code of Maryland) was established 33 years ago and requires State agencies to structure their procedures to attempt to procure 25% of their procurement award dollars with certified minority businesses. The intent of the law was to cast a net around all State contracting and procurement activity regardless of the feasibility of MBE participation. State purchasing activity has expanded over the years to include a broader range of transactions, which has made achievement of the 25% MBE goal more challenging. Therefore, it is important that stakeholders view this goal from a broader perspective.

A principal barrier to goal achievement is that each year a significant portion of State procurement is not conducive to MBE participation. Examples of such contracts include purchases from large utilities, non-segmentable contracts (those with little to no subcontracting opportunities) and specialized equipment purchases from foreign manufacturers. These contracts are tied to maintenance, service, and supply contracts

issued through the State's Procurement Control Agencies: Department of Transportation, Department of Budget and Management, Department of General Services, and University System of Maryland. If contracts not conducive to MBE participation were excluded, the State's MBE participation exceeds the overall 25% participation goal (25.8%).

Exhibit 2 summarizes statistical information regarding this issue. Of the nearly \$6 billion in State contract dollars awarded in FY 2010, roughly 10.3% have been classified as not conducive to MBE participation. This translates into approximately \$618 million in terms of FY 2010 contract value. When these contract dollars are excluded from MBE participation calculations, the State of Maryland's MBE procurement share approaches 26%. The State's performance along this dimension has been virtually unchanged over the past two fiscal years. A summary of the procurements not conducive to MBE participation and State procurement performance adjusted for contracts not conducive to MBE participation can be found in Appendix A and Appendix B.

**Exhibit 2: State Contract Award Summary Excluding Contract Awards Not Conducive to MBE Participation, FY 2008 – FY 2010**

Fiscal Year	Total Awards	Total Awards excluding Contracts Not Conducive to MBE Participation (Excluded Amount in Parenthesis)	MBE Awards excluding Contracts Not Conducive to MBE Participation (Excluded Amount in Parenthesis)	Total MBE Participation Excl. Contracts Not Conducive to MBE Participation
2010	\$5,995,774,983	\$5,377,821,870 (\$617,953,113)	\$1,386,516,096 (\$1,959,785)	25.8%
2009	\$7,450,004,264	\$6,271,183,735 (\$1,178,820,529)	\$1,637,518,414 (\$14,669,576)	26.1%
2008	\$6,454,144,304	\$5,864,245,800 (\$589,898,504)	\$1,308,805,558	22.3%

Note: In FY 2008, there were no MBE award dollars in the Contracts Not Conducive to MBE Participation amount.

Source: GOMA, for FY 2010; Minority Business Enterprise, 2009 Annual Report by GOMA for FY 2009 and FY 2008 data

### MBE Performance for Cabinet Procurement Agencies:

In FY 2010, Cabinet-level procurement agencies approached the overall goal of 25% MBE participation in procurement award dollars, with 24.5% of contract dollars awarded to MBEs. This highlights the O'Malley-Brown Administration's guiding management principle of "what gets measured gets done," since the MBE performance of Cabinet agencies receives continuous attention. Ten of the Cabinet-level procurement agencies met or exceeded the 25% goal, as shown in Exhibit 3.

**Exhibit 3: Total and MBE Contract Awards by State Cabinet Procurement Agencies, FY 2010**

Agency Name	Total Prime Contract Awards	Total MBE Awards	% MBE Participation
Aging	\$951,133	\$230,206	24.2%
Agriculture	\$4,722,882	\$328,269	7.0%
Budget and Management	\$13,290,531	\$2,848,248	21.4%
Business and Economic Development	\$4,060,582	\$1,730,984	42.6%
Education	\$44,747,901	\$14,876,318	33.2%
Environment	\$7,252,953	\$1,854,782	25.6%
Executive Department	\$30,560,703	\$4,391,854	14.4%
General Services	\$192,943,764	\$57,945,843	30.0%
Health & Mental Hygiene	\$837,379,617	\$392,440,231	46.9%
Higher Education Commission	\$1,351,075	\$873,128	64.6%
Housing and Community Development	\$4,448,182	\$864,628	19.4%
Human Resources	\$646,775,656	\$91,375,910	14.1%
Information Technology	\$48,280,944	\$9,683,416	20.1%

Agency Name	Total Prime Contract Awards	Total MBE Awards	% MBE Participation
Juvenile Services	\$88,596,758	\$12,373,034	14.0%
Labor, Licensing, & Regulation	\$30,604,096	\$7,361,123	24.1%
Natural Resources	\$33,715,775	\$3,983,432	11.8%
Planning	\$1,253,044	\$130,322	10.4%
Police	\$23,231,336	\$3,781,762	16.3%
Public Safety and Correctional Services	\$265,398,142	\$53,118,385	20.0%
Transportation – Aviation	\$39,690,999	\$8,163,762	20.6%
Transportation – Motor Vehicle	\$13,822,225	\$3,482,932	25.2%
Transportation – Office of Secretary	\$72,656,584	\$24,833,678	34.2%
Transportation –Port Administration	\$54,932,094	\$6,108,831	11.1%
Transportation – State Highway	\$562,962,937	\$141,833,329	25.2%
Transportation – Transit Administration	\$806,942,396	\$91,590,942	11.4%
Transportation – Transportation Authority	\$173,855,759	\$45,573,310	26.2%
Veteran's Affairs	\$1,054,144	\$90,606	8.6%
<b>Cabinet Procurement Agencies Total</b>	<b>\$4,005,482,211</b>	<b>\$981,869,265</b>	<b>24.5%</b>

Source: GOMA

#### MBE Performance for the StateStat Reporting Procurement Agencies:

A subset of cabinet procurement agencies regularly participate in the StateStat review process, and therefore undergo the most frequent and rigorous accountability review on a range of performance indicators including analysis of monthly MBE outcomes. Exhibit 4 reflects MBE participation performance among the StateStat agencies. Weighted MBE participation approaches 25% (24.7%) for these agencies.

#### Exhibit 4: The Amount and Distribution of Contract Awards for StateStat Reporting Procurement Agencies, FY 2010

StateStat Procurement Agency	Total Prime Contract Awards	Total MBE Awards	% MBE Participation
Business & Economic Development	\$4,060,582	\$1,730,984	42.6%
Education	\$44,747,901	\$14,876,318	33.2%
General Services	\$192,943,764	\$57,945,843	30.0%
Health & Mental Hygiene	\$837,379,617	\$392,440,231	46.9%
Housing & Community Development	\$4,448,182	\$864,628	19.4%
Human Resources	\$646,775,656	\$91,375,910	14.1%
Juvenile Services	\$88,596,758	\$12,373,034	14.0%
Labor, Licensing, & Regulation	\$30,604,096	\$7,361,123	24.1%
Police	\$23,231,336	\$3,781,762	16.3%
Public Safety & Correctional Services	\$265,398,142	\$53,118,385	20.0%
Transportation - Aviation	\$39,690,999	\$8,163,762	20.6%
Transportation - Motor Vehicle	\$13,822,225	\$3,482,932	25.2%
Transportation - State Highway	\$562,962,937	\$141,833,329	25.2%
Transportation - Transit Administration	\$806,942,396	\$91,590,942	11.4%
<b>StateStat Procurement Agencies Total</b>	<b>\$3,561,604,591</b>	<b>\$880,939,183</b>	<b>24.7%</b>

Source: GOMA

## MBE Performance for All State Procurement Agencies:

Continuous improvement toward achieving the State's goal of 25% MBE participation in procurements and contracts can be seen across all agencies, with the MBE percentage increasing to 23.2% in FY 2010. Exhibit 5 shows the State procurement agencies' MBE performance in total contract awards. In FY 2010, 19 of the more than 60 State procurement agencies subject to MBE requirements were at or above the 25% goal. Another 19 agencies fell between 15% and 25%.

**Exhibit 5: The Amount and Distribution of Contract Awards for All State Procurement Agencies, FY 2010**

State Procurement Agency	Total Prime Contract Awards	Total MBE Awards	% MBE Participation
Aging	\$951,133	\$230,206	24.2%
Agriculture	\$4,722,882	\$328,269	7.0%
Archives	\$668,851	\$53,167	7.9%
Assessments & Taxation	\$674,665	\$42,875	6.4%
Attorney General's Office	\$114,974	\$58,819	51.2%
Automobile Insurance Fund	\$795,587	\$218,228	27.4%
Baltimore City Community College	\$8,002,209	\$1,318,183	16.5%
Board of Public Works	\$56,671	\$10,794	19.0%
Bowie State University	\$23,955,471	\$7,531,259	31.4%
Budget & Management	\$13,290,531	\$2,848,248	21.4%
Business & Economic Development	\$4,060,582	\$1,730,984	42.6%
Canal Place Preservation	\$201,188	\$14,088	7.0%
Comptroller's Office	\$19,619,703	\$7,138,455	36.4%
Coppin State University	\$11,534,836	\$2,128,964	18.5%
Deaf, School for the	\$1,488,724	\$127,082	8.5%
Education	\$44,747,901	\$14,876,318	33.2%
Elections	\$26,407,852	\$21,468,572	81.3%
Environment	\$7,252,953	\$1,854,782	25.6%
Environmental Service	\$72,284,029	\$9,779,492	13.5%
Executive Department	\$30,560,703	\$4,391,854	14.4%
Food Center Authority	\$938,450	\$13,289	1.4%
Frostburg State University	\$15,236,266	\$1,380,400	9.1%
General Services	\$192,943,764	\$57,945,843	30.0%
Health & Mental Hygiene	\$837,379,617	\$392,440,231	46.9%
Higher Education Commission	\$1,351,075	\$873,128	64.6%
Housing & Community Development	\$4,448,182	\$864,628	19.4%
Human Relations Commission	\$87,407	\$5,457	6.2%
Human Resources	\$646,775,656	\$91,375,910	14.1%
Information Technology	\$48,280,944	\$9,683,416	20.1%
Insurance Administration	\$1,454,364	\$170,411	11.7%
Juvenile Services	\$88,596,758	\$12,373,034	14.0%
Labor, Licensing, & Regulation	\$30,604,096	\$7,361,123	24.1%
Lottery	\$1,454,364	\$170,411	11.7%
Military	\$4,980,292	\$336,342	6.8%
Morgan State University	\$80,333,343	\$21,430,199	26.7%
Natural Resources	\$33,715,775	\$3,983,432	11.8%
People's Counsel	\$578,401	\$32,767	5.7%

State Procurement Agency	Total Prime Contract Awards	Total MBE Awards	% MBE Participation
Planning	\$1,253,044	\$130,322	10.4%
Police	\$23,231,336	\$3,781,762	16.3%
Prosecutor's Office	\$19,444	\$2,305	11.9%
Public Defender's Office	\$3,236,768	\$208,281	6.4%
Public Safety & Correctional Services	\$265,398,142	\$53,118,385	20.0%
Public School Construction	\$506,937,629	\$99,232,105	19.6%
Public Service Commission	\$995,591	\$348,878	35.0%
Public Television	\$4,987,433	\$630,585	12.6%
Retirement	\$9,686,149	\$2,852,511	29.4%
Salisbury University	\$12,283,313	\$2,186,447	17.8%
Saint Mary's College	\$17,148,002	\$508,002	3.0%
Stadium Authority	\$40,614,763	\$7,958,345	19.6%
Subsequent Injury Fund & Uninsured Employers' Fund	\$81,642	\$11,544	14.1%
Supplemental Retirement	\$1,499,772	\$81,847	5.5%
Tax Court	\$8,921	\$0	0.0%
Towson University	\$78,572,449	\$16,928,190	21.5%
Transportation - Aviation	\$39,690,999	\$8,163,762	20.6%
Transportation - Motor Vehicle	\$13,822,225	\$3,482,932	25.2%
Transportation - Office of the Secretary	\$72,656,584	\$24,833,678	34.2%
Transportation - Port Administration	\$54,932,094	\$6,108,831	11.1%
Transportation - State Highway	\$562,962,937	\$141,833,329	25.2%
Transportation - Transit Administration	\$806,942,396	\$91,590,942	11.4%
Transportation - Transportation Authority	\$173,855,759	\$45,573,310	26.2%
Treasurer's Office	\$217,438	\$90,623	41.7%
University of Baltimore	\$12,973,222	\$1,624,499	12.5%
University of MD, Baltimore	\$290,315,677	\$57,725,369	19.9%
University of MD, Baltimore County	\$44,204,932	\$8,950,031	20.2%
University of MD, College Park	\$428,347,095	\$86,404,343	20.2%
University of MD, Eastern Shore	\$11,815,600	\$552,226	4.7%
University of MD, University College	\$47,950,636	\$10,707,045	22.3%
Veterans Affairs	\$1,054,144	\$90,606	8.6%
Workers' Compensation	\$775,268	\$58,507	7.5%
<b>All State Procurement Agencies Total</b>	<b>\$5,995,774,983</b>	<b>\$1,388,475,881</b>	<b>23.2%</b>

Source: GOMA

### MBE Participation Among Various Procurement Industries:

Exhibit 6 provides statistical detail regarding MBE awards by industry or procurement category. In FY 2010, the MBE statutory goal of 25% was achieved in six categories: Architectural/Engineering (25.7%), Construction (25.9%), Construction Related Services (28.2%), Maintenance (26.3%), IT Supplies & Equipment (33.6%), and Human/Cultural/Social & Education (36.7%). In the IT Services category, total MBE participation approached the 25% goal (24.7%).



**Exhibit 6: The Amount and Distribution of Contract Awards Among Different Industries, FY 2010**

Industry/ Procurement Category	Value of Total Prime Contract Awarded	Value of MBE Prime Contract Awarded	Value of MBE Subcontract Awarded	Value of Total MBE Awarded	Total MBE Participa- tion*
Architectural/Engineering	\$381,694,631	\$10,987,598	\$87,053,809	\$98,041,406	25.7%
Construction	\$1,511,063,785	\$72,250,740	\$319,287,429	\$391,538,169	25.9%
Construction Related Services	\$60,231,990	\$778,410	\$16,204,103	\$16,982,513	28.2%
Maintenance	\$232,227,744	\$41,466,610	\$19,494,126	\$60,960,736	26.3%
Services	\$1,343,276,692	\$50,456,235	\$137,820,738	\$188,276,973	14.0%
Supplies & Equipment	\$481,402,344	\$33,974,666	\$12,645,850	\$46,620,516	9.7%
IT Services	\$314,108,237	\$46,623,563	\$30,963,214	\$77,586,776	24.7%
IT Supplies & Equipment	\$119,689,287	\$39,829,799	\$365,522	\$40,195,321	33.6%
Human/Cultural/Social & Education	\$1,193,604,435	\$433,047,171	\$5,056,043	\$438,103,214	36.7%
Corporate Credit Card	\$170,850,626	\$10,816,289	-	\$10,816,289	6.3%
Direct Voucher	\$187,625,211	\$19,353,967	-	\$19,353,967	10.3%
<b>TOTAL</b>	<b>\$5,995,774,983</b>	<b>\$759,585,048</b>	<b>\$628,890,833</b>	<b>\$1,388,475,881</b>	<b>23.2%</b>

\*Total amount awarded to MBEs (both prime and sub-contractors) in the sector divided by the total dollar amount of prime contracts in that sector.

Source: GOMA

### Performance Relative to Sub-Goals

In compliance with Code of Maryland Regulation (COMAR) Title 21, Subtitle 11, Chapter 3, Section 1, State agencies must structure their procedures to attempt to procure 7% of their total contract award dollars from African-American owned firms and 10% from Women-owned firms. Maryland is the first state to establish MBE procurement sub-goals for firms certified with those MBE classifications.

Additionally, effective in FY 2010, Women-owned firms that are owned by members of racial or ethnic minority groups can be dually certified (i.e., certified as both a Woman-owned business and as a business owned by a member of a recognized racial or ethnic minority group). These firms may also participate in individual procurement contracts as either Women-owned businesses, or racial or ethnic minority-owned businesses, but not both. This section of the report includes analysis of contract awards and payments to dual certified MBEs to the extent that they were reported as such by State agencies.

As Exhibit 7 reflects, State agencies awarded 4.9% of total contract award dollars to African American-owned firms and 5.5% to Women-owned firms in FY 2010.

**Exhibit 7: MBE Performance of Sub-Goals, FY 2010**

Target Group	Total Value of MBE Awards	% of Total State Procurement
African American (including African American Women) (7% Sub-Goal)	\$291,083,335	4.9%
Women (including dual certified Asian, Hispanic, and Native American Women, but excluding African American Women) (10% Sub-Goal)	\$328,661,243	5.5%

Source: GOMA

Exhibit 8 shows the breakdown of contract award dollars among the various MBE classifications, including dual certified MBEs. African Americans and Women received nearly 45% of the MBE procurement award dollars; 21.0% and 23.7%, respectively.

**Exhibit 8: The Amount and Distribution of Contract Awards by MBE Classification, FY 2010**

<b>MBE Classification<sup>3</sup></b>	<b>Total MBE Prime Awards (\$)</b>	<b>Total MBE Subcontract Awards (\$)</b>	<b>Total MBE Awards (\$)</b>	<b>% of Total MBE Procurement</b>
<b>Ethnic/Racial Minorities:</b>				
Total African American	\$50,607,567	\$240,475,767	\$291,083,335	21.0%
<i>African American</i>	\$45,677,986	\$224,551,381	\$270,229,367	19.5%
<i>African American Women</i>	\$4,929,582	\$15,924,386	\$20,853,968	1.5%
Total Asian	\$69,581,575	\$94,787,113	\$164,368,688	11.8%
<i>Asian</i>	\$68,901,598	\$90,042,991	\$158,944,589	11.4%
<i>Asian Women</i>	\$679,977	\$4,744,122	\$5,424,099	0.4%
Total Hispanic	\$62,778,224	\$76,197,699	\$138,975,923	10.0%
<i>Hispanic</i>	\$62,256,327	\$74,909,759	\$137,166,086	9.9%
<i>Hispanic Women</i>	\$521,896	\$1,287,940	\$1,809,836	0.1%
Total Native American	\$223,415	\$6,846,427	\$7,069,842	0.5%
<i>Native American</i>	\$219,078	\$5,892,613	\$6,111,691	0.4%
<i>Native American Women</i>	\$4,337	\$953,814	\$958,151	0.1%
<b>Women:</b>				
Total Women ( <i>including dual certified Asian, Hispanic, and Native American Women, but excluding African American Women</i> )	\$114,106,649	\$214,554,595	\$328,661,243	23.7%
<i>Women Only</i>	\$112,900,438	\$207,568,719	\$320,469,157	23.1%
<b>Others:</b>				
Disabled	\$464,418	\$1,120,643	\$1,585,061	0.1%
Non-Profit (Certified)	\$290,750,022	\$1,894,464	\$292,644,486	21.1%
Community Service Provider (formerly Sheltered Workshop)	\$172,229,495	\$0	\$172,229,495	12.4%
Disadvantaged	\$49,894	\$0	\$49,894	0.0%
<b>Total MBE Contract Dollars Awarded</b>			<b>\$1,388,475,881</b>	<b>100%</b>

Source: GOMA

Exhibit 9 provides additional statistical detail regarding procurement awards by MBE classification for FY 2007 and FY 2010, and illustrates the increase in awards to several of the minority groups, including African Americans, Asians, and Hispanics. Specific highlights include:

- The value of awards to African Americans increased from \$206.2 million in FY 2007 to \$291.1 million in FY 2010, an increase of 41.2%.
- Awards to Asians expanded nearly 24% in FY 2010 to \$164.4 million, up from \$132.7 million in FY 2007.
- Awards to Hispanics surged nearly 122%, from \$62.7 million in FY 2007 to \$139 million in FY 2010.

<sup>3</sup> Some agency data do not segregate dual certified firms. As a result, there is potential overlap between ethnic/racial minority procurement data and Women-owned business procurement/participation data.

**Exhibit 9: The Value of Awards and the Percentage Change in the Amount of Awards by Different Classifications between FY 2007 and FY 2010**

MBE Classification	MBE Awards 2007	MBE Awards 2010	% Change Between FY 2007- FY 2010
Total African American*	\$206,206,523	\$291,083,335	41.2%
Total Asian*	\$132,742,960	\$164,368,688	23.8%
Total Hispanic*	\$62,657,536	\$138,975,923	121.8%
Total Native American*	\$19,055,663	\$7,069,842	-62.9%
Women Only	\$322,921,247	\$320,469,157	-0.8%
Disabled	\$6,432,211	\$1,585,061	-75.4%
Non-Profit	\$192,007,334	\$292,644,486	52.4%
Community Service Provider (formerly Sheltered Workshop)	\$190,238,758	\$172,229,495	-9.5%
Disadvantaged	--	\$49,894	--
<b>Total</b>	<b>\$1,132,262,233</b>	<b>\$1,388,475,881</b>	<b>22.6%</b>

\* - For FY 2010, some women MBEs included in this report are certified in two (2) classifications (certified as both Woman-owned and one of the racial classifications), but are included in their respective racial categories.

Source: GOMA for FY 2010 data; Minority Business Enterprise, Annual Report Fiscal Year 2007 by GOMA for FY 2007 data

**Performance Relative to Prime Contracting**

Prime contracting has consistently been considered an area in which there was a need for more MBE participation. While MBE prime contract dollars have always been included in MBE reporting, this report includes the following analysis of MBE prime contracting activity.

In FY 2010, total MBE prime contract awards rose to nearly \$760 million, roughly 25% more than the corresponding level in FY 2007 (see Exhibits 10 and 10a). The increase in prime contract awards is important for several reasons. First, it is a reflection of the ongoing commitment of the State to MBE contracting. More importantly, it may be a reflection of a growing number of minority-owned firms that now have sufficient capacity, experience and sophistication to serve as prime contractors as opposed to subcontractors. Developing these companies is one of the primary objectives of Maryland's MBE contracting program. Finally, these MBE prime contractors are perhaps more likely to be familiar with MBE subcontractors, which may create a more inclusionary contracting environment. Moreover, these MBE prime contractors may be able to serve as mentors to less established MBEs.

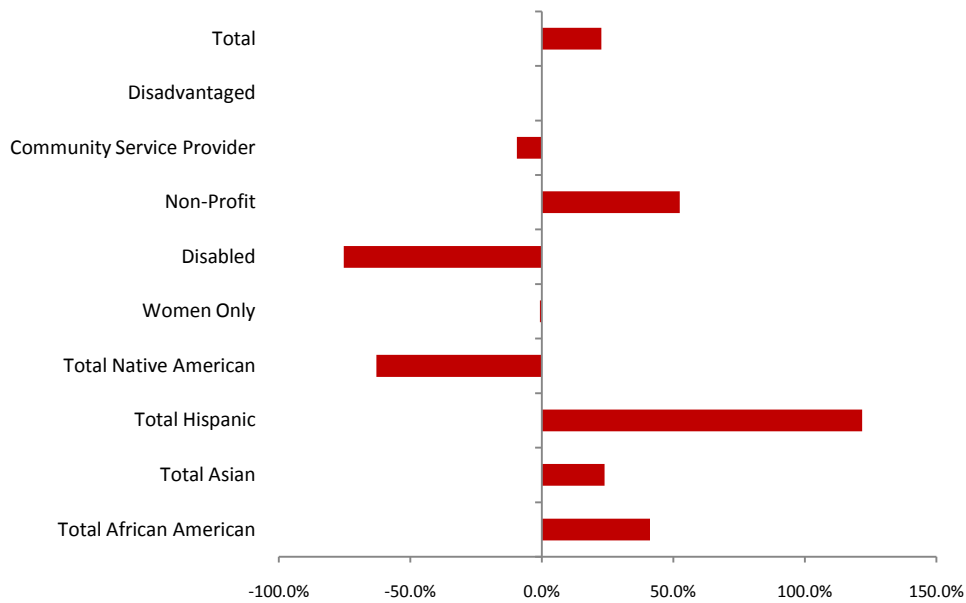
**Exhibit 10: MBE Prime Contract Awards, FY 2007 and FY 2010**

MBE Classification	FY 2007	FY 2010	% Change Between FY 2007 & FY 2010
Total African American	\$41,826,100	\$50,607,567	21.0%
Total Asian	\$54,708,824	\$69,581,575	27.2%
Total Hispanic	\$27,501,184	\$62,778,224	128.3%
Total Native American	\$446,810	\$223,415	-50.0%
Women*	\$99,563,933	\$112,900,438 (\$114,106,649)	14.6%
Disabled	\$5,567,877	\$464,418	-91.7%
Non-Profit (Certified)	\$189,306,494	\$290,750,022	53.6%
Community Service Provider (formerly Sheltered Workshops - Certified)	\$190,238,758	\$172,229,495	-9.5%
Disadvantaged	--	\$49,894	-
<b>Total</b>	<b>\$609,159,978</b>	<b>\$759,585,048</b>	<b>24.7%</b>

\*Excludes awards to dual certified MBEs. The figure in parenthesis shows the total contract award eligible for women category including ethnic females.

Source: GOMA

**Exhibit 10a: Percentage Change in the Amount of Awards by Classifications, FY 2007 & FY 2010**



**Analysis of MBE Payments**

Payments to MBEs increased in FY 2010, likely due to the lag between contract signing, performance and payment. This is largely a function of the prevailing trend in total State government procurement through FY 2009. The presumption is that payments to MBEs will not expand in FY 2011, which would reflect the substantial decline in overall State procurement in FY 2010.

Exhibit 11 indicates that total payments to MBEs rose almost precisely 10% from FY 2009 to FY 2010. These monies were undoubtedly helpful during a period of broader economic distress that weighed heavily upon the fortune of minority businesses.

**Exhibit 11: Total MBE Payments for State Procurement Agencies Between FY 2007 and FY 2010**

Fiscal Year	Total MBE Payments
<b>FY 2010</b>	<b>\$1,113,973,316</b>
FY 2009	\$1,012,270,195
FY 2008	\$1,117,802,274
FY 2007	\$751,844,427

*Source: GOMA for FY 2010 data; Minority Business Enterprise, 2009 Annual Report by GOMA for FY 2009, FY 2008, and FY 2007 data*

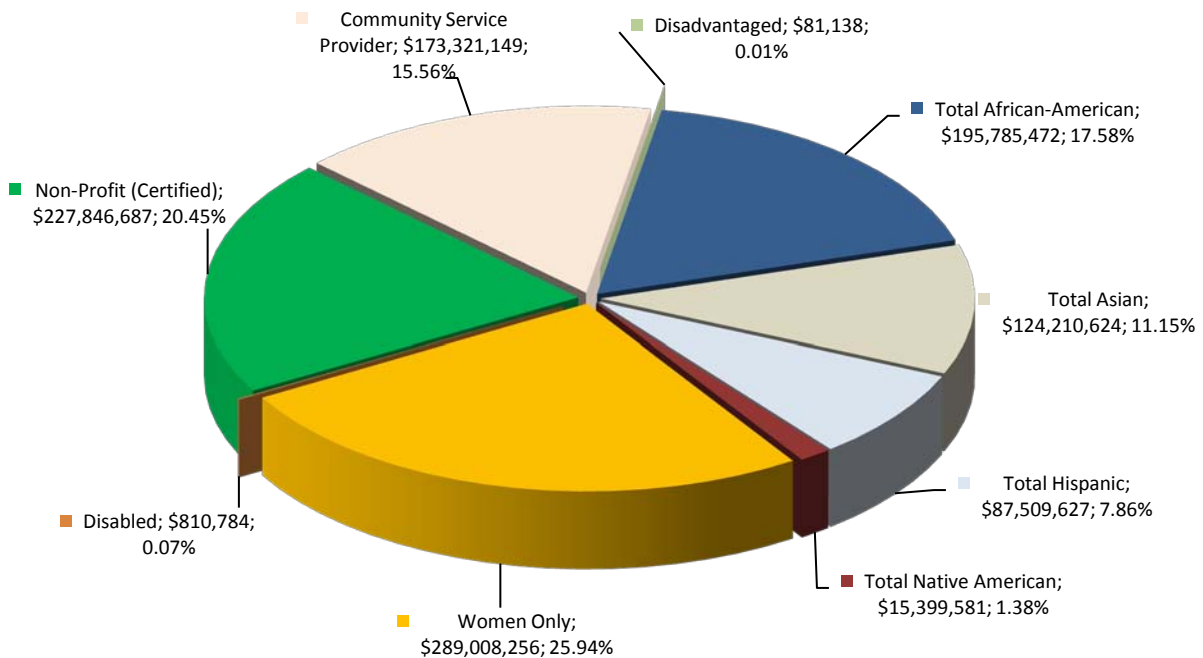
Exhibits 12, 12a, and 12b provide additional statistical detail on payments to MBEs by classification for FY 2010. Exhibits 12 and 12a show that 64% of total payments to MBEs went to African American, Hispanic, Asian, and Women-owned firms. Exhibit 13b indicates that payments to prime contractors and subcontractors varied within each classification.

**Exhibit 12: The Amount and Distribution of Payments by MBE Classification, FY 2010**

MBE Classification	Total MBE Prime Payments	Total MBE Subcontract Payments	Total MBE Prime & Subcontract Payments	% of Total MBE Payments
Total African American	\$37,660,399	\$158,125,073	\$195,785,472	17.6%
<i>African American</i>	\$32,358,517	\$150,614,447	\$182,972,963	16.4%
<i>African American Women</i>	\$5,301,882	\$7,510,626	\$12,812,508	1.2%
Total Asian	\$53,964,488	\$70,246,136	\$124,210,624	11.2%
<i>Asian</i>	\$51,041,670	\$66,759,217	\$117,800,887	10.6%
<i>Asian Women</i>	\$2,922,818	\$3,486,919	\$6,409,737	0.6%
Total Hispanic	\$28,396,280	\$59,113,347	\$87,509,627	7.9%
<i>Hispanic</i>	\$28,210,899	\$57,563,094	\$85,773,993	7.7%
<i>Hispanic Women</i>	\$185,381	\$1,550,253	\$1,735,634	0.2%
Total Native American	\$418,333	\$14,981,248	\$15,399,581	1.4%
<i>Native American</i>	\$407,324	\$13,400,182	\$13,807,506	1.2%
<i>Native American Women</i>	\$11,009	\$1,581,066	\$1,592,075	0.1%
Women Only	\$138,529,978	\$150,478,278	\$289,008,256	25.9%
Disabled	\$368,019	\$442,765	\$810,783	0.1%
Non-Profit (Certified)	\$226,483,361	\$1,363,326	\$227,846,687	20.5%
Community Service Provider (formerly Sheltered Workshop)	\$173,321,149	\$0	\$173,321,149	15.6%
Disadvantaged	\$0	\$81,138	\$81,138	0.0%
<b>Total</b>	<b>\$659,142,005</b>	<b>\$454,831,311</b>	<b>\$1,113,973,316</b>	<b>100.0%</b>

Source: GOMA

**Exhibit 12a: The Amount and Distribution of Payments by MBE Classification, FY 2010**



**Exhibit 12b: Prime Contract vs. Subcontract Payments by MBE Classification, FY 2010**

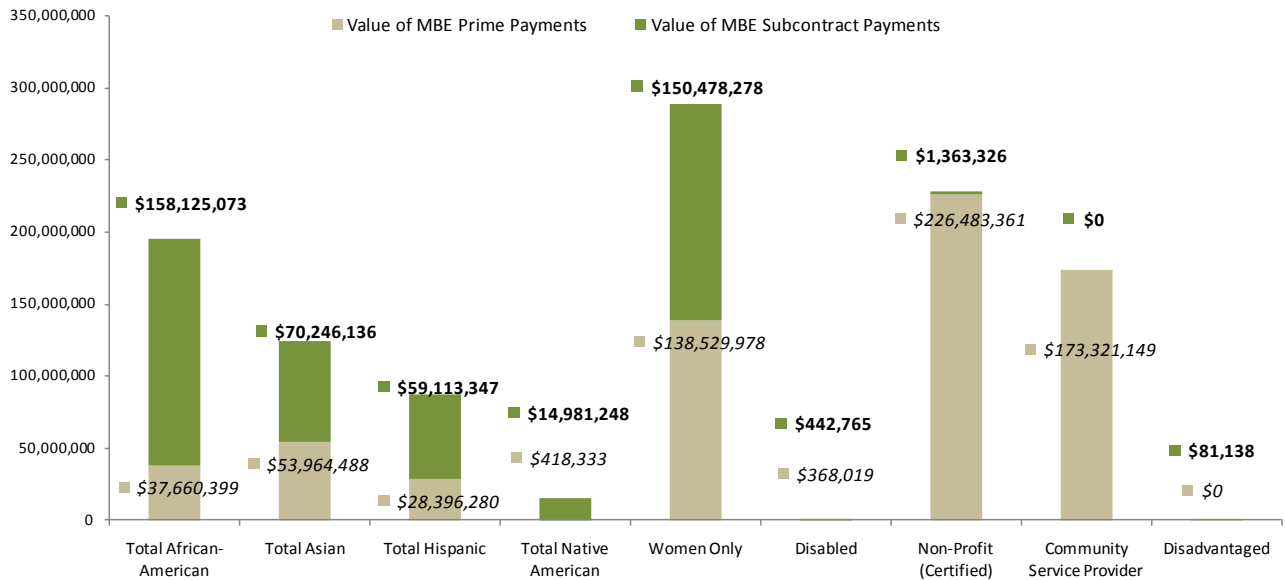


Exhibit 13 provides a listing of MBE payments made by State procurement agencies and shows that 34.4% of MBE payments made were on contracts procured by the Department of Health & Mental Hygiene, and 12.7% were procured by Transportation–State Highway Administration.

**Exhibit 13: The Amount and Distribution of MBE Payments by State Procurement Agency, FY 2010**

Procurement Agency	Total MBE Prime & Subcontract Payments	% of Total MBE Prime & Subcontract Payments
Aging	\$375,566.04	0.03%
Agriculture	\$328,094.00	0.03%
Archives	\$261,523.01	0.02%
Assessments & Taxation	\$617,681.11	0.06%
Automobile Insurance Fund	\$47,960.43	0.00%
Baltimore City Community College	\$609,514.40	0.05%
Board of Public Works	\$10,794.00	0.00%
Bowie State University	\$7,591,107.74	0.68%
Budget & Management	\$6,469,703.56	0.58%
Business & Economic Development	\$2,198,201.75	0.20%
Canal Place Preservation	\$14,088.00	0.00%
Comptroller's Office	\$8,763,509.62	0.79%
Coppin State University	\$2,457,935.47	0.22%
Deaf, School for the	\$109,845.95	0.01%
Education	\$6,249,373.35	0.56%
Environment	\$1,543,816.70	0.14%
Environmental Service	\$19,193,972.01	1.72%
Executive Department	\$261,477.78	0.02%
Food Center Authority	\$246,880.76	0.02%
Frostburg State University	\$1,156,818.31	0.10%
General Services	\$82,743,993.81	7.43%

Procurement Agency	Total MBE Prime & Subcontract Payments	% of Total MBE Prime & Subcontract Payments
Health & Mental Hygiene	\$383,628,420.11	34.44%
Higher Education	\$337,657.02	0.03%
Housing & Community Development	\$2,405,834.65	0.22%
Human Relations	\$5,930.00	0.00%
Human Resources	\$28,757,292.00	2.58%
Information Technology	\$4,349,397.00	0.39%
Insurance Administration	\$122,033.50	0.01%
Juvenile Services	\$8,117,715.00	0.73%
Labor, Licensing, & Regulation	\$1,842,769.70	0.17%
Lottery	\$6,911,356.10	0.62%
Military Department	\$282,106.00	0.03%
Morgan State University	\$4,436,480.63	0.40%
Natural Resources	\$2,201,335.61	0.20%
People's Counsel	\$32,767.36	0.00%
Planning	\$61,514.44	0.01%
Police	\$1,286,301.28	0.12%
Public Safety & Correctional Services	\$91,204,509.93	8.19%
Public School Construction	\$74,010,809.78	6.64%
Public Service Commission	\$337,234.03	0.03%
Public Television	\$530,083.34	0.05%
Retirement	\$981,710.65	0.09%
Saint Mary's College	\$1,285,827.18	0.12%
Salisbury University	\$2,000,246.83	0.18%
Stadium Authority	\$18,481,325.65	1.66%
Subsequent Injury Fund/Uninsured Employers' Fund	\$12,064.53	0.00%
Supplemental Retirement	\$621,709.00	0.06%
Towson University	\$9,674,503.54	0.87%
Transportation - Aviation	\$32,216,281.29	2.89%
Transportation - Motor Vehicle	\$16,582,143.93	1.49%
Transportation - Office of the Secretary	\$10,071,948.23	0.90%
Transportation - Port Administration	\$5,259,684.20	0.47%
Transportation - State Highway	\$141,925,184.09	12.74%
Transportation - Transit Administration	\$14,857,231.02	1.33%
Transportation - Transportation Authority	\$54,724,559.51	4.91%
Treasurer's Office	\$110,306.74	0.01%
University of Baltimore	\$1,547,480.09	0.14%
University of MD, Baltimore	\$14,792,417.46	1.33%
University of MD, Baltimore County	\$4,361,683.14	0.39%
University of MD, College Park	\$21,480,115.60	1.93%
University of MD, Eastern Shore	\$399,766.00	0.04%
University of MD, University College	\$10,330,277.43	0.93%
Veterans Affairs	\$82,754.51	0.01%
Workers' Compensation	\$60,689.93	0.01%
<b>Total All MBE Payments</b>	<b>\$1,113,973,315.83</b>	<b>100%</b>

Source: GOMA



## Future Outlook

For FY 2011, GOMA will focus on the following:

- ***Continuous State Agency MBE accountability; build upon improved MBE reporting.*** GOMA will continue to hold agencies accountable on all areas of MBE compliance and best practices.
- ***Secure the passage of MBE Program Legislation.*** Working in partnership with the Maryland Department of Transportation, GOMA will aggressively pursue the passage of legislation to extend the current State statute for the MBE Program while seeking policy enhancements intended to update and strengthen the current program.
- ***Expand opportunities for MBEs through the Small Business Reserve (SBR) Program.*** GOMA will provide increased compliance, monitoring, and accountability of the (23) State agencies currently under the Program and their efforts toward meeting the 10% SBR goal, which will open more opportunities for MBEs and all small businesses.
- ***Expand the capacity for MBE firms through increased prime contracting.*** Increasing the volume of MBE firms that are operating at the prime contractor level will increase the experience and capacity of MBE firms, which will enhance job creation and other economic benefits for Maryland.
- ***Increase BRAC-MBE opportunities: build on recent successes resulting from GOMA's efforts with BRAC/military activity.*** GOMA will capitalize on the current demand to forge teaming arrangements with Maryland's military installations and the U.S. Department of Defense contractors who are seeking MBE partners.

***More Business for Everyone!***



# APPENDICES

## Appendix A

### Summary of Procurements Not Conducive to MBE Participation by Procurement Category, FY2010

Procurement Category	Item	Description	Amount	MBE Subcontract Amount
Maintenance	Equipment Maintenance	Scientific equipment maintenance - proprietary rights	\$4,105,277	-
	Proprietary Fire & Alarm Systems		\$686,435	-
	Buses, Trains, Airport Runway, Traffic Barriers	Emergency, specialized, & sole source maintenance.	\$16,000	-
<b>TOTAL Maintenance</b>			<b>\$4,807,712</b>	<b>\$0</b>
Services	Employee/Retiree Health Benefits	Union-negotiated healthcare for MTA employees.	\$139,401,682	-
	Media/Advertising	Recruiting, advertising, & sole source media placements via Radio, TV, newspapers, trade journals	\$5,044,065	-
	Utilities for buildings	Water, sewage, electricity, natural gas, steam	\$77,187,717	-
	Rail Line Operation	Agreements with CSX for use of rail lines in MD.	\$258,559,950	-
	Specialized services	Sole source and specialized services for software, testimony, para-transit buses, medical lab coat cleaning, scientific/medical and other specialized consultants	\$33,722,362	-
	Scientific Services	Lab tests, etc.	\$10,200,000	-
	Hotels	Conference events, visiting faculty lodging, etc.	\$992,373	-
	Shipping - Not Courier	USPS, FedEx, UPS, DHL	\$490,066	-
<b>TOTAL Services</b>			<b>\$525,598,215</b>	<b>\$0</b>
Supplies & Equipment	Sole Source & Specialized Procurements	Locomotive and airplane fuel; oil, lubricant, bio diesel, and gasoline; gases; proprietary parts for rail, trains, buses, and cranes; other specialized & proprietary commodities	\$7,087,714	-
	Vehicles	State/University fleet vehicles	\$8,685,308	-
	Industrial, Heavy, and Turf Equipment	Tractors, mower parts & equipment, etc.	\$1,507,702	-
	Personal Protective Equipment		\$600,000	-
	Food		\$7,500,000	\$1,959,785
	Uniforms		\$642,700	-
	Library Acquisitions	Library books, periodicals, etc. -- paper, microform, & digital	\$7,738,168	-
Scientific Supplies & Equipment	Scientific/specialized/research equipment, laboratory and medical gases, reagents, isotopes, etc.	\$34,870,879	-	
<b>TOTAL Supplies &amp; Equipment</b>			<b>\$68,632,471</b>	<b>\$1,959,785</b>
IT Services	Telecom Services	Phone and data service; usage fees for cable and internet; fiber optic rings	\$6,533,728	-
	Sole Source & Proprietary	Sole source & proprietary computer services	\$4,740,097	-
<b>TOTAL IT Services</b>			<b>\$11,273,825</b>	<b>\$0</b>
IT Supplies & Equipment	Software from Manufacturer	Proprietary software, licenses, and maintenance purchased from manufacturer	\$7,640,890	-
<b>TOTAL IT Supplies &amp; Equipment</b>			<b>\$7,640,890</b>	<b>\$0</b>
<b>GRAND TOTAL Procurements Not Conducive to MBE Participation</b>			<b>\$617,953,113</b>	<b>\$1,959,785</b>

## Appendix B

### FY 2010 MBE Participation – Excluding Contract Amounts Not Conducive to MBE Participation

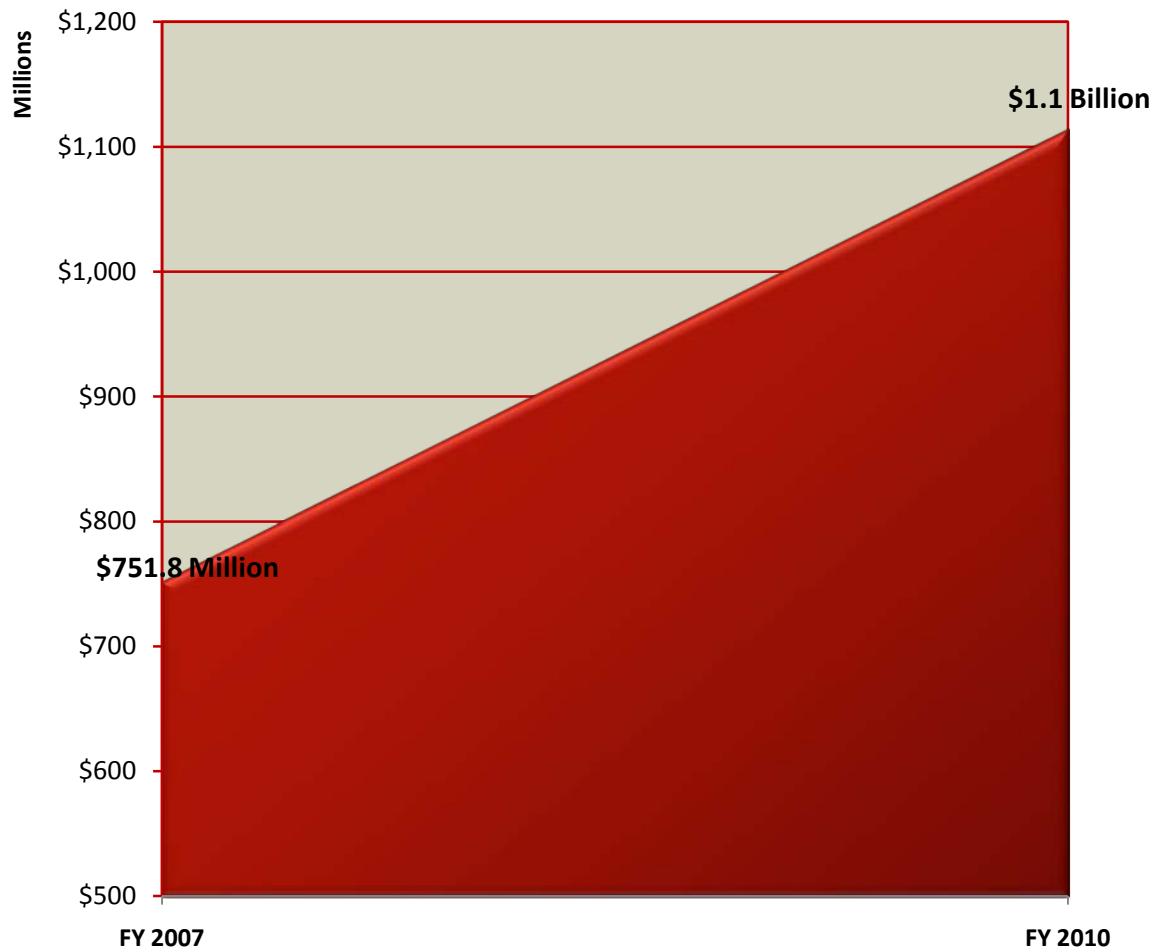
Procurement Category	Total Awards excl. Contracts Not Conducive to MBE Participation*	MBE Awards excl. Contracts Not Conducive to MBE Participation*	Total MBE Participation excl. Contracts Not Conducive to MBE Participation
Architectural / Engineering	\$381,694,631	\$98,041,406	25.7%
Construction	\$1,511,063,785	\$391,538,169	25.9%
Construction Related Services	\$60,231,990	\$16,982,513	28.2%
Maintenance	\$227,420,032 (\$4,807,712)	\$60,960,736	26.8%
Services	\$817,678,477 (\$525,598,215)	\$188,276,973	23.0%
Supplies & Equipment	\$412,769,873 (\$68,632,471)	\$44,660,731 (\$1,959,785)	10.8%
IT Services	\$302,834,412 (\$11,273,825)	\$77,586,776	25.6%
IT Supplies & Equipment	\$112,048,397 (\$7,640,890)	\$40,195,321	35.9%
Human, Cultural, Social & Educational Services	\$1,193,604,435	\$438,103,214	36.7%
Corporate Credit Card	\$170,850,626	\$10,816,289	6.3%
Direct Voucher	\$187,625,211	\$19,353,967	10.3%
<b>Totals Excluding Contracts Not Conducive to MBE Participation</b>	<b>\$5,377,821,870</b> <b>(\$617,953,113)</b>	<b>\$1,386,516,096</b> <b>(\$1,959,785)</b>	<b>25.8%</b>

\*NOTE: The dollar amount identified as "not conducive to MBE participation is shown in parenthesis.

Source: GOMA

Payments to MBE Firms Increased by 48.2% from FY 2007 to FY 2010  
(\$751.8 Million in FY 2007 to \$1.1 Billion in FY 2010)

### Total MBE Payment Dollars - FY 2007 & FY 2010



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