



## **MARYLAND MINORITY BUSINESS ENTERPRISE (MBE) PROGRAM SUBGOAL DIRECTIVE**

### ***Frequently Asked Questions***

Although the authorization for setting MBE subgoals on Maryland procurement contracts already existed, recent changes in the State's MBE statute required the Governor's Office of Minority Affairs to issue new MBE subgoal guidance. This was achieved through issuance of the ***MBE Subgoal Directive***, which became effective on July 11, 2011.

#### **What is a MBE subgoal and how does it relate to the overall contract goal?**

MBE goals and subgoals are set on a contract by contract basis, and only on contracts that have subcontracting opportunities. After an overall MBE participation goal is set for a contract, it must be evaluated to determine the appropriate MBE subgoal(s) using the Subgoal Process in the MBE Subgoal Directive.

#### **Which State procurements will be evaluated for MBE Subgoal opportunities?**

The process for setting MBE Subgoals **must** be completed for State procurements that have an MBE participation goal and are expected to equal or exceed \$200,000 in value, regardless of contract type or procurement category. This includes master contract task order procurements where MBE goals and subgoals are determined at the task order level. For procurements that have an MBE participation goal, but are not expected to have a value that equals or exceeds \$200,000, completion of the Subgoal Process is discretionary.

#### **Who is responsible for setting MBE subcontract goals?**

Under the Subgoal Directive, State agency procurement personnel remain responsible for setting MBE overall goals and subgoals. The Subgoal Directive and its accompanying Worksheet instruct State agency procurement personnel to set subgoals based on the major industry category for the procurement. The Worksheet must be completed for all applicable procurements that have an overall MBE goal and requires the approval of the Procurement Officer and the MBE Liaison, who also must sign the Worksheet.

#### **How are MBE subgoals determined?**

The Subgoal Directive and its accompanying Worksheet instruct State agency procurement personnel to set recommended subgoals based on the major industry category for the procurement. Depending upon the major industry category, subgoals may be set for African Americans, Hispanic Americans, Asian Americans, and/or women. (See the Subgoal Worksheet for details.)

#### **How do bidders/offerors satisfy the MBE subgoal requirements?**

Bidders/offerors are required to make a good faith effort to meet any overall MBE contract goal as well as any MBE subgoals. If the bidders/offerors are unable to meet the overall goal and/or any subgoal, they may request a waiver and submit documentation of good faith efforts to meet the goal/subgoal(s).

#### **What affect does the Subgoal Directive have on the State's federally funded DBE projects?**

The Subgoal Directive is not applicable to federally funded DBE projects and/or contracts.