



## **GOMA ANNOUNCES IMPROVEMENTS TO MARYLAND'S MBE PROGRAM EXPANDING OPPORTUNITIES FOR MINORITY- AND WOMEN-OWNED BUSINESSES**

*MBE primes now able to count self-performance toward contract goals*

**June 9, 2014 (Baltimore, MD)** – Maryland is enhancing opportunities for small minority- and women-owned businesses to perform as prime contractors on State-funded procurements by adopting new regulations in the Minority Business Enterprise (MBE) Program. Effective today, MBE prime contractors may count their participation on contracts with MBE goals for up to 50% of the established MBE contract goal and 100% of any one contract subgoal. Prior to this regulation change, MBE prime contractors were prohibited from self-performing any portion of the MBE contract goal.

“We know that minority business inclusion in State contracting is an economic win for all Maryland residents; that’s why we’re expanding opportunity by modernizing our MBE program,” stated Governor Martin O’Malley. “Our MBEs have been asking for this change for some time, and we’re doing everything we can to ensure that they have the flexibility necessary to grow and create jobs in our State.”

“Over the last eight years, our Administration has made it a priority to expand contracting opportunities to more minority and women business owners because we understand that Maryland's strengths stem from our diversity," **said Lt. Governor Anthony G. Brown.** "Our state has earned a national reputation as a leader in minority inclusion and by taking this important step to make it easier for our minority and women-owned firms to engage in State-funded procurement opportunities, we continue to strengthen our MBE Program and expand opportunity."

According to the Governor’s Office of Minority Affairs (GOMA), Maryland’s MBE Program created and/or retained 26,796 jobs and stimulated \$2.9 billion in economic activity in FY2013. The State received \$1.60 of economic impact for every dollar paid to MBEs.

In 2012, Governor O’Malley reauthorized the MBE Program with amendments, one of which required GOMA, in consultation with the Maryland Department of Transportation (MDOT) and the Office of the Attorney General (OAG) to establish procedures governing how the participation of MBE prime contractors may be counted toward the achievement of MBE contract goals. GOMA convened an MBE Prime Participation work group to examine federal laws used to administer the U.S. Department of Transportation’s Disadvantaged Business Enterprise (DBE) Program, the State’s most recent disparity study, State MBE utilization data, and anecdotal data gathered from the MBE stakeholder community in determining how much of

the work performed by an MBE prime can be counted toward a MBE contract goal, including subgoals. The work group recommended that MBE primes may perform up to 50% of the established contract goal and up to 100% of one of the established MBE contract subgoals.

“This new legislation will have a significant impact on the MBE community,” **said GOMA’s Special Secretary Zenita Wickham Hurley.** “It presents a great opportunity for minority- and women-owned firms to build capacity and grow in the State contracting arena.”

“This is wonderful news and quite frankly, something that we have been fighting for over the years, across multiple administrations. This change will have the immediate impact of rapidly expanding MBE’s capacity to perform larger and more complex projects throughout all State agencies and departments,” **added Robert Wallace, President & CEO of BITHGROUP Technologies.** “The entire economy of our great State will be impacted by this change.”

MBE primes are required to adhere to good faith effort requirements for the portion of the contract goal they are not self-performing and are subject to all other MBE contract compliance requirements such as prompt payment and monthly reports.

Maryland’s MBE Program, enacted in 1978, is in place to remedy persistent race and gender discrimination against minority and women business owners within the State contracting marketplace. Maryland is the only state reporting the economic impact of its MBE Program.

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