

ANNUAL REPORT

Fiscal Year 2016



Minority Business Enterprise Program Small Business Reserve Program

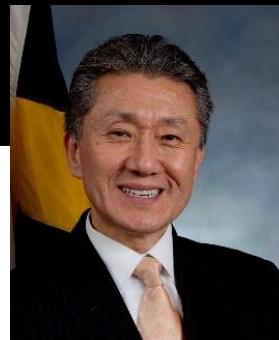
Maryland is **OPEN** for Business



Larry Hogan,
Governor



Boyd K. Rutherford
Lt. Governor



Jimmy Rhee
Special Secretary

Maryland is **OPEN** for Business



Message from Governor Hogan



Dear Friends:

Since taking office in 2015, our administration has been focused on growing the private sector, putting people back to work, and turning our economy around. In the last two years, we have created more than 110,000 jobs, and we're growing jobs at the fastest pace in the region.

Maryland is home to hundreds of thousands of small businesses, the majority of which are women- or minority-owned. Our small businesses are the job creators and engines of innovation that form the backbone of our economy. From day one, we have been working hard to ensure that Maryland is "Open for Business," and our administration remains as committed as ever to creating a business-friendly state.

Together, we can and will make Maryland the best place in America to live, work, raise a family, and start a business. With your help, we will continue changing Maryland for the better.

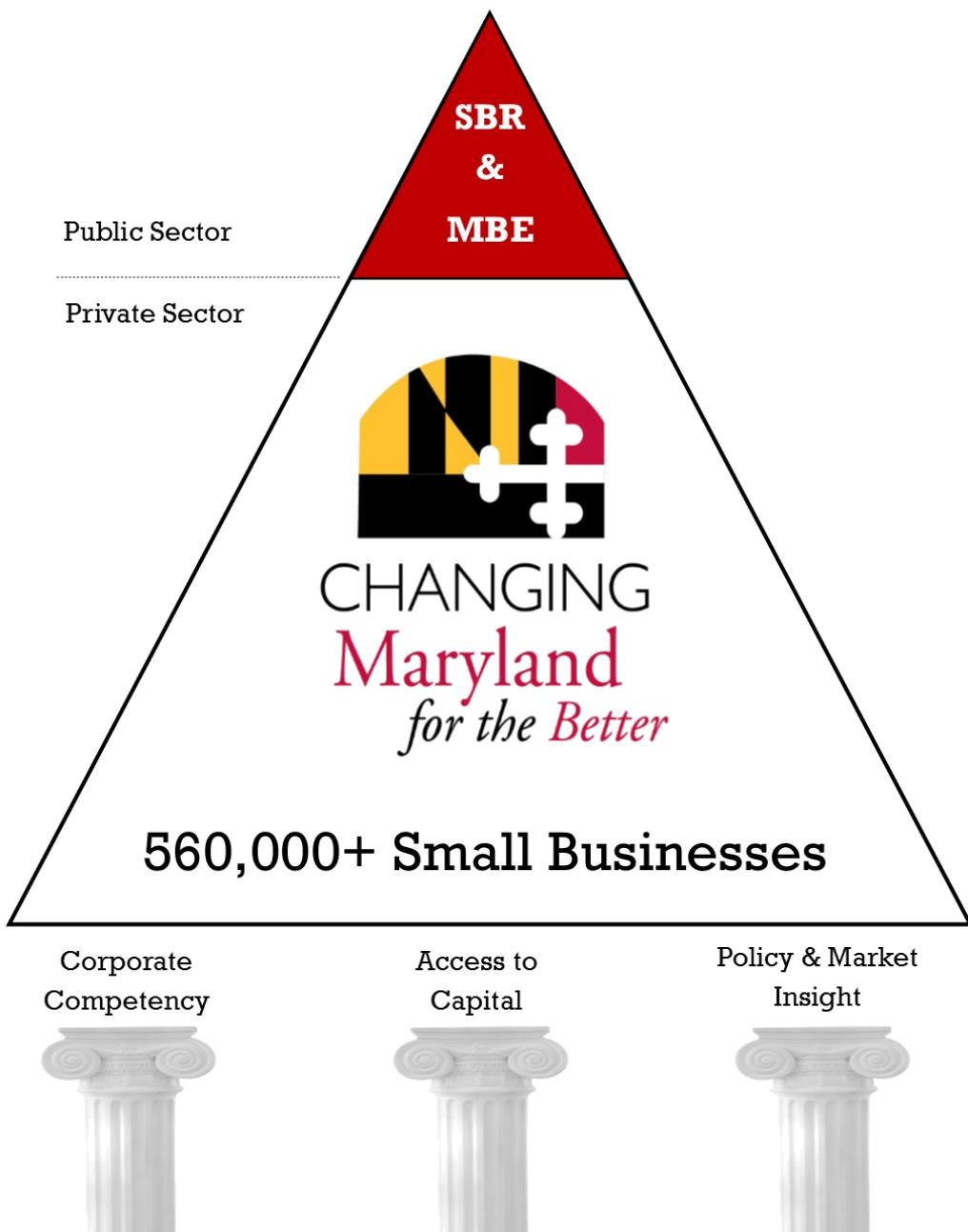
Sincerely,

A handwritten signature of Governor Larry Hogan.

Larry Hogan
Governor



Maryland is **OPEN** for Business





Message from Lt. Governor Rutherford



Dear Friends:

Maryland is a great place to live, work, and do business. Our small businesses, including tens of thousands of firms owned by women and minorities, are creating and retaining more jobs, fostering entrepreneurs, and building up our communities every day.

Under Governor Hogan's leadership, Maryland truly is "Open for Business," and our administration is focused on improving our statewide business climate. Our approach is simple – implement common sense reforms that are consistent, predictable, and transparent. We are eliminating burdensome regulations and unnecessary fees that make it harder for small businesses to grow and thrive. We are also modernizing our state procurement systems to be more user-friendly and provide greater access to opportunities, particularly within the small business community.

These initiatives require a great deal of collaboration, and I want to thank all of you who have taken an active role in helping our small businesses compete with confidence in both the public and private sectors. Together, we are producing powerful results that benefit all Marylanders and further our efforts to change Maryland for the better.

Sincerely,

A handwritten signature in black ink.

Boyd K. Rutherford
Lt. Governor





“Growing up I enjoyed many types of sports, but particularly the martial arts, which I learned from my father — a grand master who is credited with bringing Tae Kwon Do to the United States. The martial arts principles I learned under his tutelage have carried over into my professional life and I find them embodied in small business owners across the State. These entrepreneurs are some of the most motivated and resilient individuals. They have conquered the notion that “in the middle of difficulty lies opportunity.” Not to be limited by size, these small business owners realize that in business, much like in the martial arts, speed delivers power so that size does not really matter. Small business owners must be quick in order to capture opportunities ahead of their larger competitors. Like martial arts competitors, small business owners must zone in on their target and ignore distractions that pull them away. They must be laser-focused and cognizant of the unique features that give them a competitive edge. In martial arts, balance allows you to maintain a center of gravity which is critical when moving and shifting to execute complicated or strenuous moves. Similarly, small business owners need to maintain a healthy balance of technical competence and sound business practices.”

*- Jimmy Rhee
Special Secretary*

Message from Special Secretary Rhee

Dear Friends:

Welcome to the Governor's Office of Minority Affairs' annual report for Fiscal Year 2016. Our mission is to empower the entire small business community, including those firms owned by minorities and women, to compete with confidence. At the same time, we are implementing the Small Business Reserve (SBR) and the Minority Business Enterprise (MBE) programs across 70 state agencies. Maryland is open for business, and we are committed to the growth and development of our diverse small business community.

As a former small business owner, I experienced the same struggles many of you have faced. Believe me when I say that it influences me everyday, and fuels my desire to have a positive impact on other entrepreneurs. It is my honor to be part of Governor Larry Hogan's efforts to improve Maryland's business culture and stay in-step with today's economic and global realities. We are looking beyond the dollars paid to our SBR and MBE firms and focusing, instead, on the number of businesses winning prime and subcontracting opportunities. The stagnant pool must be converted into a flowing river so that more companies can benefit from these programs. We are working toward that goal by changing our reporting systems and eliminating irrelevant data that looks good on paper but does nothing to increase opportunities. We are also examining the laws, policies and practices governing our procurement programs, and we are identifying and implementing best practices across all state agencies.

In addition, we are expanding our role to connect *all* small businesses with resources that are valuable in both public and private sectors. In fact, the office will soon be renamed the Governor's Office of Small, Minority & Women Business Affairs to reflect this change.

All of these efforts require collaboration among a broad range of stakeholders. I am grateful for your ongoing support, and look forward to working together as we continue to change Maryland for the better.

Sincerely,



Jimmy Rhee
Special Secretary



Changing Maryland for the Better

The Hogan administration is changing Maryland for the better by creating more jobs, making government more transparent, and improving the quality of life for all Marylanders. The impact of our statewide efforts to grow the private sector and make Maryland more competitive is being felt as more businesses are opening and expanding within our borders every day. We're working together and using common sense solutions to set a new course of economic growth, security, and prosperity as we make Maryland the best place in America to live, work, raise a family, and retire.

**72,000 new private
sector jobs**



**Ranked in the top 10
states for overall
economic performance**

**Highest median household
income in the nation**



"The needs of our small business community are constantly evolving. We value our relationship with the Governor's Office of Minority Affairs and have every confidence that they are committed to maximizing opportunities for minorities and women within our public contracting programs."

**Delegate Cheryl D. Glenn
District 45, Baltimore City
Chair, Legislative Black Caucus of Maryland**

Maryland is OPEN for Business

Small business is big business in Maryland. Over 90 percent of Maryland's 580,000 businesses are small, and nearly 70 percent of these small businesses are owned by African Americans, Hispanic Americans, Asian Americans, Native Americans and women. We embrace diversity with the understanding that what's good for our minority- and women-owned businesses is inherently good for the entire small business community as well. Maryland is OPEN for business, and we support the growth and development of all small businesses across both the public and private sectors.

Ranked
5th most
innovative
state in the
nation



Ranked 3rd in
the nation for
entrepreneurial
job growth



Ranked 8th in the nation for the
rate of manufacturing growth

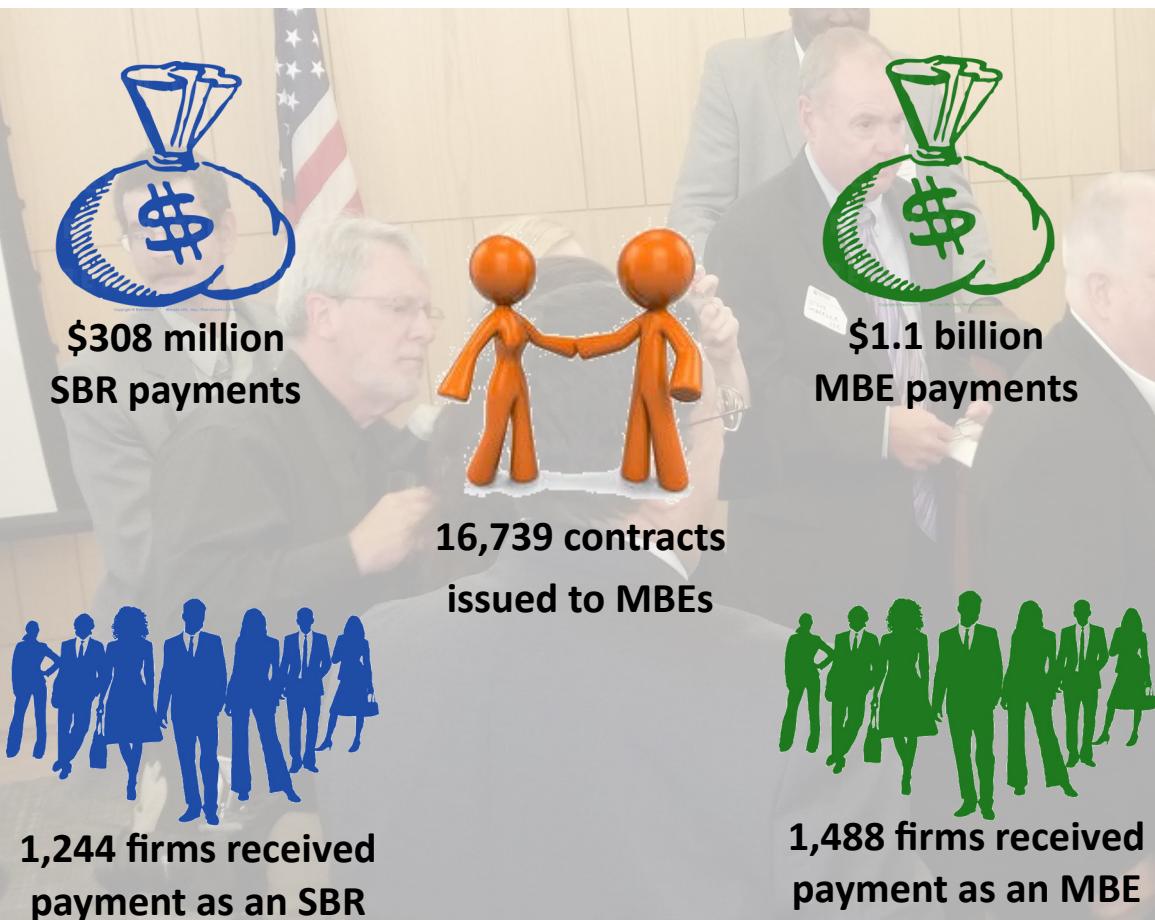
"I know the struggles of the small business community firsthand. Having an advocate like the Governor's Office of Minority Affairs is critical, particularly for our women- and minority-owned firms. They genuinely want to see all small businesses succeed."

Senator Barbara Robinson
District 40, Baltimore City



Oversight

The Governor's Office of Minority Affairs has oversight of both the Small Business Reserve (SBR) and the Minority Business Enterprise (MBE) procurement programs. Internally, we are charged with collecting data and reporting the performance outcomes of the the 23 agencies participating in the SBR Program and the 70 agencies/departments participating in the MBE Program. We proactively educate our MBE and SBR liaisons on best practices and work directly with agency leadership to ensure maximum inclusion of small business, minority- and women-owned businesses within the state contracting arena.



"We're working hard, continuing to cultivate a thriving workforce that can meet the demands of Maryland's dynamic economy. It's vital for State agencies to work collaboratively to get the word out about the array of State services available. Our colleagues in the Governor's Office of Minority Affairs make it easy to spread the word so our stakeholders know about the Maryland Department of Labor's programs and services that help Maryland families and businesses thrive."

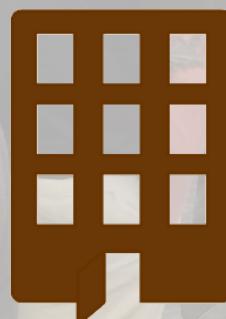
*Secretary Kelly Schulz
Maryland Department of Labor, Licensing and Regulation*

Outreach

The Governor's Office of Minority Affairs empowers all small businesses to compete with confidence in both the public and private sectors by helping you build core competencies, access capital, and develop an insightful understanding of the policies that impact your competitive space. For those firms that want to do business with the State of Maryland, we offer two signature programs. Our Ready, Set, GROW! Procurement Connections Workshop matches buyers with small business vendors. Our newest initiative, the Technical Training Classroom, provides monthly classes on topics specific to the state procurement process.



67
outreach
events



5,400
business
served



"The SBA regularly refers clients to the Governor's Office of Minority Affairs and vice versa. Our cooperative efforts help to ensure that Maryland entrepreneurs have access to vital resources at both the federal and state levels to help them start or grow their business."

Stephen D. Umberger
District Director, Baltimore District Office
U.S. Small Business Administration (SBA)



Partners & Resources

Every business owner knows the importance of relationships. Everyone with the Governor's Office of Minority Affairs (GOMA) knows it as well. We work hard to maintain relationships that tap us into the vast resources available to small business owners across the state. Our goal is to reduce the time it takes you to find what you need by maintaining a robust directory of resources. Our website should be on the "favorites" list of every small business owner, and we hope to see visitors return often.

The Governor's Office of Minority Affairs has been a delight to work with. The focus on small businesses and true attention to helping entrepreneurs be successful has been very appreciated in Western Maryland. From inviting a newly certified MBE business to engage in a reform committee meeting to the Special Secretary taking an afternoon to visit the Technical Innovation Center and spend time truly connecting with the incubator clients, our emerging technology companies value the expertise and support provided by GOMA. Thank you!

Janice Riley
Technology Innovation Center @
Hagerstown Community College



"GOMA is one of our most valued strategic allies. Because of our relationship, many of our members are able to leverage an additional channel to opportunities and unique resources to assist business growth. Secretary Rhee is one of my closest advisors. GOMA sets the bar high for its advocacy of minority businesses, and together we are able to honor the voice of minority businesses across our state and region."

Sharon R. Pinder
President and CEO
Capital Region Minority Supplier Development Council

Small Business Ombudsman

Maryland's small business community is fortunate to have a dedicated ombudsman whose role is focused on problem-solving. The position was created by Governor Hogan and we're pleased to have Randall Nixon serving in this important role. With more than 30 years of experience as an entrepreneur in Maryland, Randall is passionate about clearing roadblocks and finding smart solutions that improve the business climate across our state. The Ombudsman is an important member of our team at the Governor's Office of Minority Affairs as we work collaboratively in support of the small business community.

"You have a completely different perspective when you're the one responsible for making the weekly payroll. I know all about that and I'm very excited to join the Hogan-Rutherford administration. They truly understand the needs of small business owners and they are committed to improving the business climate in Maryland."

-Randall Nixon

Business Ombudsman



"The GOMA team was a great help during our annual *Celebrate Black Business Month* program. Eduardo Hayden shared valuable information about opportunities with our minority business owners who, in many cases, wouldn't have known about otherwise."

Shannon Bland
Charles County Public Library

"GOMA's staff are always available and a great resource for any small business owner wanting to learn how to do business with the state of Maryland. Their outreach events are very informative and offer great networking opportunities."

Ellie D'Sa
DSA Designs

"Everyone at the Governor's Office of Minority Affairs really wants to see small businesses succeed. It's a pleasure working with people who are so passionate about what they do."

Bobbi Sample
Casino at Ocean Downs



From our Point of View

Maryland is home to nearly 580,000 businesses – over 70 percent of which are owned by women and minorities. We use the term “small businesses” to encompass this broad and diverse group because we believe that what’s good for small business is inherently good for women- and minority-owned businesses as well. And since 80 percent of Maryland’s economic activity takes place in the private sector, we also know that most small businesses cannot sustain themselves on government contracting work alone.

Three core principles lead to success:

- (1) Having a strong and well-developed core competency;
- (2) Access to financing and capital;
- (3) An insightful understanding of the policies that impact your competitive space.

Being ready and willing to compete is not sufficient. You must be ready, willing and **able**. Small business owners face many challenges. That is never going to change. Successful small business owners are learning and adapting every day so they can conquer these challenges.

Here in Maryland, Governor Hogan has declared Maryland OPEN for businesses. We are rising up to the challenges of today’s business environment, and working to make things better.

The Voice of Small Business

Our reputation as the leading advocate for Maryland’s small business community is well earned. We will continue to use professional forums such as the Board of Public Works, the Maryland Procurement Advisory Council, the Senior Procurement Advisory Group, and the Minority Business Enterprise Advisory Committee to be the voice of all small businesses, including those owned by minorities and women.

Meaningful Change

Governor Hogan created the Commission to Modernize State Procurement in 2016. Led by Lt. Governor Boyd K. Rutherford, the commission conducted a comprehensive review of the policies and regulations governing Maryland’s antiquated and fragmented procurement system. It came out with 57 recommendations for implementation through executive order, legislation, or management initiative. The recommendations that most impact small businesses are:

- Improve the user experience with eMaryland Marketplace
- Increase the number of agencies in the SBR Program from 23 to 70
- Expand the SBR set-aside goal from 10% to 15%
- Only count designated SBR procurements toward the set-aside goal
- Apply the 60% rule and the broker rule to state-funded contracts
- Increase the small procurement threshold from \$25,000 to \$50,000
- Create a statewide procurement manual
- Increase training for procurement professionals



What's in a Name?

The Governor's Office of Minority Affairs interacts with the small business community. This is not clear based on our name, and constituents often reach out for assistance with issues we are not able to help them resolve. There is also a major distinction between the work of Maryland's Department of Commerce (which deals predominately with large businesses), and this office (which works with the 580,000 small business across the state). Changing the name to the Governor's Office of Small, Minority & Women Business Affairs will make the right connection to the services provided through our office.

More Data, Please

In the business world, everyone knows that you cannot manage what you cannot measure. The "T" factor, the impact of subgoals, and the accuracy of the data submitted by the agencies are all examples of how data impacts the way we look at the SBR and MBE programs. We're actively working toward collecting a broader set of data and implementing new system-wide initiatives such as procurement modernization efforts. We're working this problem from all sides of the equation – collaborating with the liaisons, analyzing performance dashboards with agency secretaries, and tapping resources within the Department of Information Technology. We want to capture accurate and meaningful data that goes beyond the metrics we use today.

Reaching More Small Businesses

Conducting a statewide outreach program is a significant component of how we help small businesses compete with confidence. Our signature event, the Ready, Set, GROW! workshop, connects participants to buyers in both the public and private sectors, and provides practical tips for navigating the state's procurement process. The workshop is held 8-10 times annually at locations around the state, and incorporates small business resource partners that offer free or low-cost tools to assist entrepreneurs.

We also conduct monthly technical training classes – specifically for businesses that want to learn how to do business with the State of Maryland through the SBR and MBE programs. Most of the instruction comes directly from our staff, and the small group format allows us to really get into the weeds. These live outreach programs provide invaluable networking opportunities and draw a broad array of participants.

Technology is also an important tool. Our website offers 24/7 access to SBR and MBE program information, annual reports, legislative updates and small business event information. Most traffic is found on our "Forecasting" and "Resources" pages. The information in the procurement forecast is searchable and contains useful contact information to the buyer. The resource page has links to all kinds resources to connect small businesses to capital, training, workforce, and business development resources. We want to do better in this area by improving the navigation of our website and using web conferencing tools.



Small Business Reserve Program

Fiscal Year 2016



Small Business Reserve Program

(Md. Code Ann., State Fin. & Proc. Art. §14-501 – 14-505 (2011 Sup.))

Overview

Maryland's SBR Program provides prime contracting opportunities in an exclusive environment where small businesses compete against other small businesses. This race- and gender-neutral set aside program applies to 23 designated agencies that are required to spend at least 10 percent of their total fiscal year procurement expenditures with SBR vendors. There is no cost to participate. Vendors register online and must meet the program's small business eligibility standards. To learn more, visit the SBR Program page at www.goma.maryland.gov.

Since its inception in 2004, oversight of the SBR Program had been divided between the Office of Minority Affairs and the Department of General Services. In legislative action during the 2016 Maryland General Assembly, all oversight and administrative responsibilities were transferred to the Governor's Office of Minority Affairs beginning in the 2017 fiscal year.

FY2016 Performance Highlights

Performance of the SBR Program is measured by payments made to registered SBR vendors in good standing with the state. During Fiscal Year 2016, the SBR Program achieved 7.70 percent participation with total payments of \$301.8 million to SBR vendors. This represents a 28 percent decline from \$418.7 million in FY2015. Although nearly 60 percent of the decline lies within one department (Transportation), 13 of the 23 participating agencies exceeded the 10 percent set aside mandate, and five agencies increased the total dollars paid to SBR firms in FY2016.

Payments made to SBR vendors where the initial procurement/purchase was identified as SBR as part of the written bid documents are referred to as “designated” expenditures. When an SBR vendor wins a designated contract, it competed within the exclusive pool of SBR vendors. “Coincidental” SBR expenditures refer to contract payments made to SBR vendors where the initial procurement/purchase was not specifically designated as SBR. When an SBR vendor wins a contract coincidentally, it competed in an open pool of bidders. In the first few years of the program’s existence, agencies were

hesitant to designate a procurement as SBR-only for fear of little or no competition, so regulations allowed agencies to count both designated and coincidental contracts toward the 10 percent goal.

The impact of coincidental spend caught up with us in FY2016, and is a primary cause of decline in overall participation. Since many of the participating agencies are meeting or exceeding the program’s 10 percent target without specifically designating procurements up-front, there is little incentive to designate. The impact, however, is that we fail to create a pool of SBR contracts to attract this specific vendor group. When small businesses go looking for SBR-only opportunities, they don’t find much. As a result, there is little-to-no incentive for them to register or renew their registration. In FY2016 for example, the Department of Transportation can trace its decline in participation to a simple vendor enrollment issue. A number of small businesses performing on coincidental SBR contracts did not renew their vendor registrations, so although they were already performing on active contracts, their work could not be counted toward the goal in FY2016.

Another cause of the decline was first noted in the FY2015 Annual Report when we reported that a problem with the software used to transfer vendor registration data from eMarylandMarketplace to the state’s internal financial management system was not working properly. Payments to SBR vendors were being under reported for new vendors, while payments to vendors that were no longer in the program were being over-reported. The problem was corrected during this reporting period, and as we expected, we see a drop in performance. This is evidence that the numbers had been over-reported for the prior three fiscal years. We are confident that FY2016 data is more accurate and that it better reflects the true spend of the SBR Program. This is important as it establishes a stronger baseline as we begin efforts to expand the program.

Organic Growth

The Hogan administration is committed to increasing designated procurements within the SBR Program. When we increase the number of designated procurements, we can organically increase the number

of prime contracting opportunities set aside for this unique group of vendors. This helps small businesses increase capacity and build past performance so they can compete for larger awards. Recommendations made by the Commission to Modernize State Procurement are aimed at changing the requirements for designating procurements within the SBR Program, as well as increasing the set-aside threshold to 15 percent, and increasing the number of agencies that participate in the program from 23 to 70. These efforts, along with expanded outreach programs, will result in a larger pool of small business vendors, and an increase in payments made to SBR firms.

Looking Forward

As we expand and improve the procurement processes that govern the SBR Program, we must also change how we look at the data used to evaluate the program's performance. We will always aspire to see an increase in the dollars paid through our procurement programs. However, the economic impact will be much greater when we can show a sustainable increase in the number of firms receiving payments. We call this the "T" concept. Today, our "T" is too small as only 25 percent of SBR vendors are receiving contracts through this program. We expect to see it grow significantly over the next few years through the implementation of new policy and management initiatives. This is what the Hogan Administration's "Maryland OPEN for Business" initiative looks like.

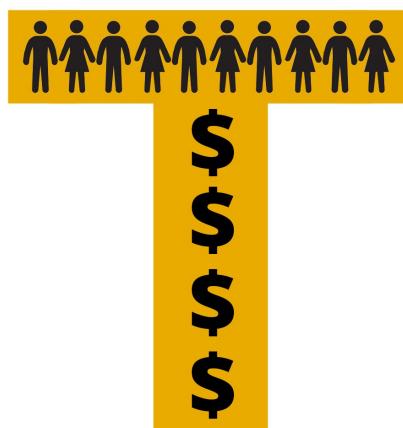


Exhibit 1: FY2016 SBR Agency/Department by Participation Percentage

SBR Participating Agency/Department	FY2016 Total Payments	FY2016 SBR Participation (%)	FY2016 SBR Payments	FY2016 SBR Designated Procurement Dollars	FY2016 SBR Coincidental Procurement Dollars	FY 2016 Credit Card SBR Payments
Insurance Administration	\$2,019,073	39.94%	\$806,499	\$0	\$785,266	\$21,233
U of MD, University College	\$75,015,939	38.85%	\$29,145,807	\$304,324	\$28,734,720	\$106,763
Motor Vehicle Administration	\$36,285,875	27.05%	\$9,815,585	\$3,336,556	\$6,396,126	\$2,644,369
Stadium Authority	\$26,609,256	25.98%	\$6,912,923	\$547,033	\$6,361,631	\$4,258
General Services	\$86,070,524	21.17%	\$18,217,871	\$4,573,519	\$13,572,114	\$72,238
Information Technology	\$49,493,965	20.48%	\$10,137,742	\$737,522	\$9,398,752	\$1,467
Housing & Community Dev.	\$19,719,884	16.85%	\$3,323,472	\$66,998	\$3,191,117	\$65,357
Commerce	\$6,487,842	16.75%	\$1,086,682	\$26,296	\$1,030,068	\$30,318
Salisbury State University	\$13,589,894	15.96%	\$2,168,654	\$231,565	\$1,470,928	\$466,161
Treasurer's Office	\$3,714,254	14.95%	\$555,353	\$512,837	\$30,751	\$11,945
U of MD, Baltimore County	\$51,787,804	14.22%	\$7,363,234	\$2,108,758	\$3,819,271	\$1,435,206
Port Administration	\$45,486,090	12.79%	\$5,815,569	\$2,414,183	\$3,138,755	\$262,631
Towson University	\$69,028,891	12.40%	\$8,559,669	\$713,045	\$6,770,429	\$1,076,195
Retirement & Pension System	\$3,565,438	12.04%	\$429,419	\$284,980	\$78,504	\$65,935
University of Baltimore	\$10,287,260	11.75%	\$1,209,171	\$64,852	\$884,909	\$259,410
Public Safety & Corrections	\$292,815,498	10.84%	\$31,730,804	\$16,143,281	\$14,129,104	\$1,458,419
Bowie State University	\$10,773,778	10.49%	\$1,130,215	\$510,675	\$600,571	\$18,969
State Police	\$49,806,968	10.27%	\$5,116,462	\$1,584,144	\$3,348,544	\$183,774
Natural Resources	\$31,669,038	10.26%	\$3,248,348	\$0	\$2,883,656	\$364,692
State Highway Administration	\$376,697,510	8.62%	\$32,474,341	\$3,913,355	\$27,429,860	\$1,131,126
Coppin State University	\$10,198,793	8.40%	\$856,329	\$22,413	\$651,912	\$182,004
Human Resources	\$116,367,788	8.24%	\$9,593,585	\$1,377,918	\$7,952,621	\$263,046
Frostburg State University	\$13,352,627	7.57%	\$1,010,737	\$173,166	\$655,855	\$181,716
Aviation Administration	\$219,743,365	7.54%	\$16,562,914	\$1,801,769	\$14,719,539	\$41,606
Education	\$99,916,526	7.37%	\$7,366,707	\$1,056,632	\$6,215,417	\$94,658
Environment	\$9,631,180	6.94%	\$668,650	\$88,728	\$524,017	\$55,905
U of MD, College Park	\$526,618,564	6.45%	\$33,952,891	\$10,493,356	\$21,119,913	\$2,339,622
U of MD, Eastern Shore	\$18,580,683	6.30%	\$1,171,080	\$0	\$799,253	\$371,827
Labor, Licensing & Regulation	\$35,544,028	6.28%	\$2,231,744	\$260,232	\$1,754,439	\$217,074
Transportation (TSO)	\$72,324,852	5.22%	\$3,776,888	\$1,112,190	\$2,642,328	\$22,370
Transportation Authority	\$321,869,823	3.64%	\$11,701,536	\$4,644,854	\$6,487,203	\$569,479
U of MD, Baltimore	\$289,044,506	3.62%	\$10,466,271	\$1,456,689	\$7,089,338	\$1,920,244
Morgan State University	\$73,802,343	3.14%	\$2,316,927	\$596,131	\$1,397,411	\$323,385
Juvenile Services	\$77,279,183	3.00%	\$2,317,081	\$572,942	\$1,597,169	\$146,970
Health & Mental Hygiene	\$242,098,534	2.65%	\$6,411,329	\$2,589,998	\$2,853,364	\$967,967
Transit Administration	\$468,225,846	2.31%	\$10,818,413	\$201,492	\$10,266,075	\$350,846
Lottery & Gaming Control	\$65,656,608	1.95%	\$1,281,028	\$870,945	\$116,825	\$293,258
STATEWIDE TOTAL	\$3,921,180,030	7.70%	\$301,751,929	\$65,393,378	\$220,897,755	\$18,022,443

Exhibit 2: FY2016 SBR Payments by Participating Agency/Department

SBR Participating Agency/Department	FY2016 Total Payments	FY2016 SBR Participation (%)	FY2016 SBR Payments	FY2016 SBR Designated Procurement Dollars	FY2016 SBR Coincidental Procurement Dollars	FY 2016 Credit Card SBR Payments
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Motor Vehicle Administration	\$36,285,875	27.05%	\$9,815,585	\$3,336,556	\$6,396,126	\$2,644,369
Human Resources	\$116,367,788	8.24%	\$9,593,585	\$1,377,918	\$7,952,621	\$263,046
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Education	\$99,916,526	7.37%	\$7,366,707	\$1,056,632	\$6,215,417	\$94,658
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Health & Mental Hygiene	\$242,098,534	2.65%	\$6,411,329	\$2,589,998	\$2,853,364	\$967,967
Port Administration	\$45,486,090	12.79%	\$5,815,569	\$2,414,183	\$3,138,755	\$262,631
State Police	\$49,806,968	10.27%	\$5,116,462	\$1,584,144	\$3,348,544	\$183,774
Transportation (TSO)	\$72,324,852	5.22%	\$3,776,888	\$1,112,190	\$2,642,328	\$22,370
Housing & Community Dev.	\$19,719,884	16.85%	\$3,323,472	\$66,998	\$3,191,117	\$65,357
Natural Resources	\$31,669,038	10.26%	\$3,248,348	\$0	\$2,883,656	\$364,692
Juvenile Services	\$77,279,183	3.00%	\$2,317,081	\$572,942	\$1,597,169	\$146,970
Morgan State University	\$73,802,343	3.14%	\$2,316,927	\$596,131	\$1,397,411	\$323,385
Labor, Licensing & Regulation	\$35,544,028	6.28%	\$2,231,744	\$260,232	\$1,754,439	\$217,074
Salisbury State University	\$13,589,894	15.96%	\$2,168,654	\$231,565	\$1,470,928	\$466,161
Lottery and Gaming Control	\$65,656,608	1.95%	\$1,281,028	\$870,945	\$116,825	\$293,258
University of Baltimore	\$10,287,260	11.75%	\$1,209,171	\$64,852	\$884,909	\$259,410
U of MD, Eastern Shore	\$18,580,683	6.30%	\$1,171,080	\$0	\$799,253	\$371,827
Bowie State University	\$10,773,778	10.49%	\$1,130,215	\$510,675	\$600,571	\$18,969
Commerce	\$6,487,842	16.75%	\$1,086,682	\$26,296	\$1,030,068	\$30,318
Frostburg State University	\$13,352,627	7.57%	\$1,010,737	\$173,166	\$655,855	\$181,716
Coppin State University	\$10,198,793	8.40%	\$856,329	\$22,413	\$651,912	\$182,004
Insurance Administration	\$2,019,073	39.94%	\$806,499	\$0	\$785,266	\$21,233
Environment	\$9,631,180	6.94%	\$668,650	\$88,728	\$524,017	\$55,905
Treasurer's Office	\$3,714,254	14.95%	\$555,353	\$512,837	\$30,751	\$11,945
Retirement & Pension System	\$3,565,438	12.04%	\$429,419	\$284,980	\$78,504	\$65,935
STATEWIDE TOTAL	\$3,921,180,030	7.70%	\$301,751,929	\$65,393,378	\$220,897,755	\$18,022,443

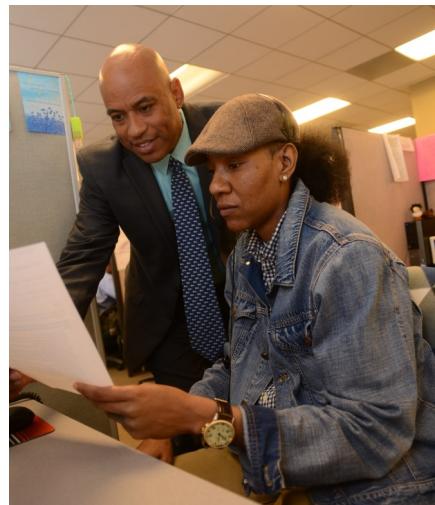
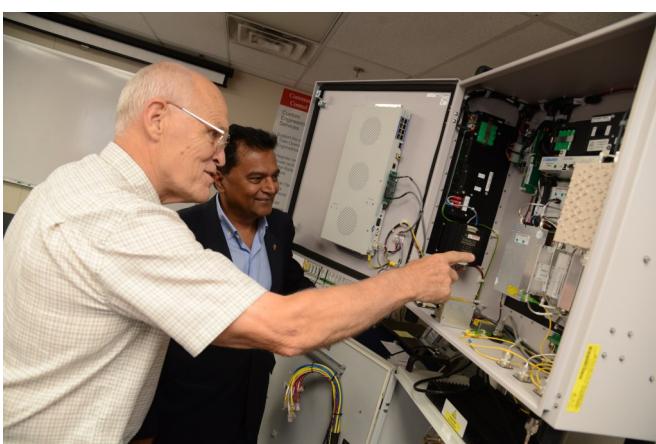
Exhibit 3: FY2016 SBR Designated Payments by Participating Agency/Department

SBR Participating Agency/Department	FY2016 Total Payments	FY2016 SBR Participation (%)	FY2016 SBR Payments	FY2016 SBR Designated Procurement Dollars	FY2016 SBR Coincidental Procurement Dollars	FY2016 Credit Card SBR Payments
Public Safety & Corrections	\$292,815,498	10.84%	\$31,730,804	\$16,143,281	\$14,129,104	\$1,458,419
U of MD, College Park	\$526,618,564	6.45%	\$33,952,891	\$10,493,356	\$21,119,913	\$2,339,622
Transportation Authority	\$321,869,823	3.64%	\$11,701,536	\$4,644,854	\$6,487,203	\$569,479
General Services	\$86,070,524	21.17%	\$18,217,871	\$4,573,519	\$13,572,114	\$72,238
State Highway Administration	\$376,697,510	8.62%	\$32,474,341	\$3,913,355	\$27,429,860	\$1,131,126
Motor Vehicle Administration	\$36,285,875	27.05%	\$9,815,585	\$3,336,556	\$6,396,126	\$2,644,369
Health & Mental Hygiene	\$242,098,534	2.65%	\$6,411,329	\$2,589,998	\$2,853,364	\$967,967
Port Administration	\$45,486,090	12.79%	\$5,815,569	\$2,414,183	\$3,138,755	\$262,631
U of MD, Baltimore County	\$51,787,804	14.22%	\$7,363,234	\$2,108,758	\$3,819,271	\$1,435,206
Aviation Administration	\$219,743,365	7.54%	\$16,562,914	\$1,801,769	\$14,719,539	\$41,606
State Police	\$49,806,968	10.27%	\$5,116,462	\$1,584,144	\$3,348,544	\$183,774
U of MD, Baltimore	\$289,044,506	3.62%	\$10,466,271	\$1,456,689	\$7,089,338	\$1,920,244
Human Resources	\$116,367,788	8.24%	\$9,593,585	\$1,377,918	\$7,952,621	\$263,046
Transportation (TSO)	\$72,324,852	5.22%	\$3,776,888	\$1,112,190	\$2,642,328	\$22,370
Education	\$99,916,526	7.37%	\$7,366,707	\$1,056,632	\$6,215,417	\$94,658
Lottery and Gaming Control	\$65,656,608	1.95%	\$1,281,028	\$870,945	\$116,825	\$293,258
Information Technology	\$49,493,965	20.48%	\$10,137,742	\$737,522	\$9,398,752	\$1,467
Towson University	\$69,028,891	12.40%	\$8,559,669	\$713,045	\$6,770,429	\$1,076,195
Morgan State University	\$73,802,343	3.14%	\$2,316,927	\$596,131	\$1,397,411	\$323,385
Juvenile Services	\$77,279,183	3.00%	\$2,317,081	\$572,942	\$1,597,169	\$146,970
Stadium Authority	\$26,609,256	25.98%	\$6,912,923	\$547,033	\$6,361,631	\$4,258
Treasurer's Office	\$3,714,254	14.95%	\$555,353	\$512,837	\$30,751	\$11,945
Bowie State University	\$10,773,778	10.49%	\$1,130,215	\$510,675	\$600,571	\$18,969
U of MD, University College	\$75,015,939	38.85%	\$29,145,807	\$304,324	\$28,734,720	\$106,763
Retirement & Pension System	\$3,565,438	12.04%	\$429,419	\$284,980	\$78,504	\$65,935
Labor, Licensing & Regulation	\$35,544,028	6.28%	\$2,231,744	\$260,232	\$1,754,439	\$217,074
Salisbury State University	\$13,589,894	15.96%	\$2,168,654	\$231,565	\$1,470,928	\$466,161
Transit Administration	\$468,225,846	2.31%	\$10,818,413	\$201,492	\$10,266,075	\$350,846
Frostburg State University	\$13,352,627	7.57%	\$1,010,737	\$173,166	\$655,855	\$181,716
Environment	\$9,631,180	6.94%	\$668,650	\$88,728	\$524,017	\$55,905
Housing & Community Dev.	\$19,719,884	16.85%	\$3,323,472	\$66,998	\$3,191,117	\$65,357
University of Baltimore	\$10,287,260	11.75%	\$1,209,171	\$64,852	\$884,909	\$259,410
Commerce	\$6,487,842	16.75%	\$1,086,682	\$26,296	\$1,030,068	\$30,318
Coppin State University	\$10,198,793	8.40%	\$856,329	\$22,413	\$651,912	\$182,004
Insurance Administration	\$2,019,073	39.94%	\$806,499	\$0	\$785,266	\$21,233
Natural Resources	\$31,669,038	10.26%	\$3,248,348	\$0	\$2,883,656	\$364,692
U of MD, Eastern Shore	\$18,580,683	6.30%	\$1,171,080	\$0	\$799,253	\$371,827
STATEWIDE TOTAL	\$3,921,180,030	7.70%	\$301,751,929	\$65,393,378	\$220,897,755	\$18,022,443



Minority Business Enterprise Program

Fiscal Year 2016



Minority Business Enterprise Program

Md. Code Ann., State Fin. & Proc. Art. §14-301 (2013 Supp.)

Overview

Maryland's Minority Business Enterprise (MBE) Program was established in 1978 as an economic development tool to increase procurement opportunities for minority- and woman-owned firms within the state contracting marketplace. This race- and gender-specific procurement program applies to 70 agencies/departments. The overall statewide goal is 29 percent. Vendors complete a certification process based on five eligibility standards to determine social and economic disadvantage. There is no cost to obtain MBE certification and it is not a prerequisite for doing business with the State of Maryland. However, only the work of certified MBEs may be counted toward minority participation contract goals. Certification for the MBE Program is managed by the Office of Minority Business Enterprise, a division of the Maryland Department of Transportation.

All participating agencies and departments are required to submit data annually. The following five units did not submit MBE payment data for this fiscal year: Automobile Insurance Fund, Environment, School for the Deaf, Subsequent Injury Fund, and Supplemental Retirement. In addition, the following six county public school districts that report under the Public School Construction unit did not submit MBE payment data: Caroline, Kent, Queen Anne's, Somerset, Worcester, and School for the

Blind. The following two units did not submit MBE award data: Automobile Insurance Fund, and Supplemental Retirement. We believe the absence of this data has a negligible impact on the numbers reported.

Performance Highlights

Performance of the MBE Program is measured by both awards and payments made to MBE firms. In Fiscal Year 2016, the MBE Program achieved 20.2 percent overall participation toward the statewide goal of 29 percent. This represents a decline of 23 percent from 26.2 percent the previous fiscal year. FY2016 MBE payments totaled \$1.1 billion. This represents a 31 percent decline from \$1.6 billion in FY2015. MBE awards in FY2016 totaled \$1.6 billion. This represents a 30 percent decrease from \$2.2 billion in FY2015.

The MBE Program's overall performance was expected to decline in FY2016 due to a significant legislative change. In compliance with House Bill 48/Senate Bill 1066, which passed the Maryland General Assembly in 2013, nonprofit organizations were removed from the definition of a minority business enterprise. Given that over 30 percent of the statewide MBE utilization has historically been attributed to nonprofit organizations, the legislation's intention was to streamline the program's focus on for-profit small businesses. Beginning in Fiscal Year 2016, the work of nonprofit organizations is no

MBE PERFORMANCE PROJECTIONS	FY2013	FY2014	FY2015	FY2016
<i>Nonprofit Contracts Included</i>				
MBE dollars awarded	\$1,675,228,624	\$2,146,275,380	\$2,269,858,467	\$1,612,325,217
Total procurement dollars awarded	\$6,871,193,114	\$7,849,390,948	\$8,677,896,719	\$7,990,358,860
<i>% MBE of Total</i>	24.38%	27.34%	26.16%	20.18%
Procurement dollars awarded to nonprofit organizations (includes Community Service Providers)	\$696,730,237	\$667,425,978	\$765,384,559	\$0
<i>Non-Profit Contracts Exempted</i>				
MBE dollars awarded, less non-profits	\$978,498,387	\$1,478,849,402	\$1,504,473,908	\$1,612,325,217
Total procurement dollars awarded, less non-profit organizations (includes Community Service Providers)	\$6,038,299,673	\$6,986,322,559	\$7,759,987,901	\$7,990,358,860
<i>% MBE of Total, less non-profits</i>	16.20%	21.17%	19.39%	20.18%

longer counted. While the program's performance measures are met with the combined efforts of all participating agencies/departments, the removal of nonprofit organizations had the most impact within the Department of Health and Mental Hygiene, the Department of Juvenile Services, and the Department of Human Resources, and within the Human, Cultural, Social & Educational Services procurement categories.

Several other key factors also impacted performance in FY2016. The Maryland Transit Administration (MTA) awarded a large two-part (claims and administration) health care contract valued at \$419.2 million with a 4 percent MBE participation goal. Per reporting guidelines, the "claims" portion is not reportable within the MBE Program. Therefore, only the "administration" portion of \$13.2 million has been reported. MTA also purchased 172 diesel buses and eight diesel locomotives with a total contract value of \$155.9 million. The contracts contained no MBE participation goals, and are being reported in the Supplies and Equipment category. It is also of value to note that total awards in this fiscal year (\$7.9 billion) includes a single project valued at \$1.6 billion. The Purple Line project, approved by the Board of Public Works as a Public-Private Partnership Agreement, has a 22 percent MBE goal.

Greater Opportunities in State Contracting

Access to opportunities in the state contracting arena continues to be a great concern. Only 29 percent of our certified MBEs received any form of payment in FY2016. Within those 1,727 firms, nearly 50 percent of all payments went to just 100 MBEs. Given the program's overarching goal of making a positive economic impact on minority- and women-owned companies, we would like to see more firms get engaged. As noted earlier in the SBR Program section, we call this the "T" factor. While we aspire to see an increase in payments, the economic impact will be much greater when we can show a sustainable increase in the number of firms to receive payment.

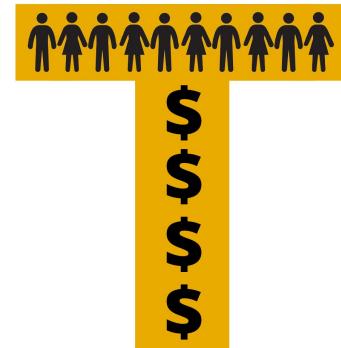
Internally, state agencies experience a high turn-over rate within the procurement officer position. In recent years, it has been as high as 30 percent. This has a significant impact on the ability of participating agencies to submit complete and accurate reports on time. Although automation has improved the reporting process, it remains an in-depth process, and requires well-trained and seasoned professionals.

Looking Forward

Every five years, the State of Maryland conducts a disparity study to examine the impact of discrimination in the marketplace, particularly within the state contracting arena. After reviewing the findings, the legislature determines if the program is to be reauthorized for another five years. We have every expectation that the MBE Program will be reauthorized through 2022 during the 2017 Session of the Maryland General Assembly.

Modifications to the MBE Program, such as shifting the focus to for-profit firms, means we have to view the program from a different perspective. As a result, we're looking at new data points such as the "T" factor (see Page 16).

This will help us direct the program's economic impact horizontally as well as vertically so we can increase the dollars being put into the pool, and the number of MBE firms receiving payments. This is a clear example of what the Hogan Administration's "Maryland OPEN for Business" initiative looks like.



These efforts will be validated through the numbers, so we must do more to get reliable data from the participating agencies/departments. We will continue working with agency secretaries and MBE liaisons to set strategies for maximizing MBE inclusion. We will also look for ways to use modern technology to increase training for the liaisons and improve data collection methods.

Thanks to recommendations by the Governor's Commission to Modernize State Procurement, the state is already engaged in the creation of the Maryland Procurement Manual. It will be the platform for constant application of the Code of Maryland Regulations (COMAR) Title 21 by standardizing best practices for planning, conducting, and completing procurements. It will also include a training curriculum and systemized COMAR interpretations. These efforts will result in a transparent and consistent procurement process.

Exhibit 5: FY2016 MBE Detailed Payments by Participating Agency/Department

FY2016 State Procurement Agency/Department	Total MBE Payments	MBE Prime Payments	MBE Subcontractor Payments
Baltimore City Community College	\$204,019	\$204,019	\$0
Board of Public Works	\$1,967	\$1,967	\$0
Bowie State University	\$2,807,970	\$1,057,032	\$1,750,938
Human Relations	\$5,493	\$5,493	\$0
Comptroller	\$2,951,878	\$1,319,038	\$1,632,840
Coppin State University	\$1,565,453	\$976,911	\$588,542
Aging	\$27,993	\$27,993	\$0
Agriculture	\$263,667	\$263,667	\$0
Budget and Management	\$15,739	\$0	\$15,739
Commerce	\$1,316,639	\$1,136,608	\$180,031
General Services	\$7,859,675	\$3,154,499	\$4,705,176
Health and Mental Hygiene	\$6,858,242	\$866,325	\$5,991,917
Housing and Community Development	\$3,924,876	\$1,866,040	\$2,058,837
Human Resources	\$26,798,074	\$2,508,915	\$24,289,159
Information Technology	\$30,929,235	\$19,424,298	\$11,504,938
Juvenile Services	\$6,345,815	\$4,039,069	\$2,306,746
Labor, Licensing & Regulation	\$5,189,367	\$2,112,999	\$3,076,368
Natural Resources	\$226,379	\$6,122	\$220,257
Planning	\$77,633	\$77,633	\$0
Public Safety & Corrections	\$153,000,877	\$113,854,821	\$39,146,056
State Police	\$8,321,787	\$8,280,970	\$40,817
Veteran's Affairs	\$1,373,390	\$682,312	\$691,078
Executive Department	\$486,567	\$227,604	\$258,963
Frostburg State University	\$1,362,342	\$1,298,498	\$63,844
Aviation Administration	\$33,641,472	\$2,857,054	\$30,784,419
Environmental Services	\$10,015,337	\$3,883,606	\$6,131,730
Food Center Authority	\$114,632	\$90,805	\$23,828
Higher Education Commission	\$248,534	\$248,534	\$0
Insurance Administration	\$532,130	\$532,130	\$0
Lottery and Gaming Control	\$10,334,300	\$611,535	\$9,722,765
Port Administration	\$9,818,596	\$1,530,614	\$8,287,983
Stadium Authority	\$8,758,423	\$4,693,035	\$4,065,387
Retirement & Pension System	\$1,640,092	\$1,186,017	\$454,075
Transit Administration	\$59,791,268	\$29,261,010	\$30,530,258
Transportation Authority	\$72,674,317	\$6,692,018	\$65,982,300
Military Department	\$214,847	\$214,847	\$0
Morgan State University	\$10,015,812	\$247,510	\$9,768,302
Motor Vehicle Administration	\$28,846,708	\$22,095,687	\$6,751,021
Attorney General	\$38,371	\$0	\$38,371
Public Defender	\$902,593	\$902,593	\$0
State Prosecutor	\$1,512	\$1,512	\$0
Public School Construction	\$191,933,855	\$43,514,286	\$148,419,569
Public Service Commission	\$339,595	\$254,931	\$84,663
Salisbury State University	\$1,826,746	\$1,769,726	\$57,019

Exhibit 5 FY2016 MBE Payments by State Procurement Agency/Department (continued)

FY2016 State Procurement Agency/Department	Total MBE Payments	MBE Prime Payments	MBE Subcontractor Payments
St. Mary's College of MD	\$6,269,311	\$1,472,935	\$4,796,375
State Archives	\$146,506	\$146,506	\$0
Board of Elections	\$4,020,536	\$1,689,139	\$2,331,398
Assessments and Taxation	\$120,235	\$118,035	\$2,200
Education	\$18,853,838	\$11,564,998	\$7,288,840
Highway Administration	\$168,311,166	\$72,462,237	\$95,848,929
Treasurer's Office	\$604,311	\$536,761	\$67,550
Transportation (TSO)	\$13,803,920	\$5,734,167	\$8,069,753
Towson University	\$6,645,027	\$2,822,685	\$3,822,342
University of Baltimore	\$1,163,908	\$982,879	\$181,029
U of MD, Baltimore	\$29,384,620	\$14,760,232	\$14,624,388
U of MD, Baltimore County	\$8,082,471	\$297,893	\$7,784,578
U of MD, College Park	\$85,499,462	\$15,163,165	\$70,336,297
U of MD, Eastern Shore	\$3,028,033	\$2,127,650	\$900,383
U of MD, University College	\$3,477,861	\$1,105,231	\$2,372,630
Worker's Compensation Commission	\$212,357	\$195,057	\$17,300
People's Counsel	\$0	\$0	\$0
Public Television	\$0	\$0	\$0
Canal Place Preservation	\$0	\$0	\$0
Tax Court	\$0	\$0	\$0
Subsequent Injury Fund	No Report	No Report	No Report
Automobile Insurance Fund	No Report	No Report	No Report
Environmental Services	No Report	No Report	No Report
Supplemental Retirement	No Report	No Report	No Report
Deaf, School of	No Report	No Report	No Report
GRAND TOTAL	\$1,053,227,778	\$415,159,850	\$638,067,928

Exhibit 6: FY2016 MBE Payments by Classification

FY2016 MBE Classification	Total MBE Prime Payments	Total MBE Subcontract Payments	Total MBE Payments	% of Total MBE Procurement
Total African American	\$82,711,801	\$242,120,740	\$324,832,541	30.8%
African American	\$70,156,348	\$199,881,080	\$270,037,428	25.64%
African American Women	\$12,555,453	\$42,239,660	\$54,795,113	5.20%
Total Asian American	\$89,773,545	\$115,382,014	\$205,155,559	19.5%
Asian American	\$76,216,705	\$100,349,849	\$176,566,554	16.76%
Asian American Woman	\$13,556,840	\$15,032,165	\$28,589,005	2.71%
Total Hispanic American	\$49,819,793	\$62,213,392	\$112,033,185	10.6%
Hispanic American	\$44,785,991	\$57,353,976	\$102,139,966	9.70%
Hispanic American Woman	\$5,033,803	\$4,859,416	\$9,893,219	0.94%
Total Native American	\$1,027,331	\$14,604,202	\$15,631,533	1.5%
Native American	\$647,787	\$13,362,293	\$14,010,080	1.33%
Native American Women	\$379,544	\$1,241,909	\$1,621,453	0.15%
Ethnicities Only Subtotal	\$223,332,470	\$434,320,348	\$657,652,818	62%
Women	\$191,458,745	\$202,112,094	\$393,570,839	37.37%
Disabled	\$368,635	\$6,092	\$374,727	0.04%
Disadvantaged	\$0	\$1,629,395	\$1,629,395	0.15%
Total MBE Procurement	\$415,159,850	\$638,067,928	\$1,053,227,778	100%

Exhibit 7: FY2016 MBE Awards by Classification

FY2016 MBE Classification	MBE Prime Awards	MBE Subcontract Awards	Total MBE Awards	Total MBE Awards	Total Statewide Awards
Total African American	\$110,452,443	\$351,718,135	\$462,170,578	28.7%	5.8%
African American	\$101,229,985	\$323,885,220	\$425,115,205	26.37%	5.3%
African American Women	\$9,222,458	\$27,832,915	\$37,055,373	2.30%	0.5%
Total Asian American	\$80,898,148	\$239,926,982	\$320,825,130	19.9%	4.0%
Asian American	\$56,402,672	\$228,354,758	\$284,757,430	17.66%	3.6%
Asian American Woman	\$24,495,476	\$11,572,224	\$36,067,700	2.24%	0.5%
Total Hispanic American	\$50,129,434	\$196,841,775	\$246,971,209	15.3%	3.1%
Hispanic American	\$47,054,097	\$194,581,613	\$241,635,710	14.99%	3.0%
Hispanic American Woman	\$3,075,337	\$2,260,162	\$5,335,499	0.33%	0.1%
Total Native American	\$1,664,041	\$105,610,177	\$107,274,218	6.7%	1.3%
Native American	\$482,449	\$102,564,794	\$103,047,243	6.39%	1.3%
Native American Women	\$1,181,592	\$3,045,383	\$4,226,975	0.26%	0.1%
Ethnicities Only Subtotal	\$243,144,066	\$894,097,069	\$1,137,241,135	71%	14.2%
Women	\$175,364,640	\$299,271,680	\$474,636,320	29.44%	5.9%
Disabled	\$249,857	\$40,000	\$289,857	0.02%	0.0%
Disadvantaged	\$156,510	\$1,395	\$157,905	0.01%	0.0%
Total MBE Awards	\$418,915,073	\$1,193,410,144	\$1,612,325,217	100.0%	20.2%
Total Statewide Awards					\$ 7,990,358,860

Exhibit 8: FY2016 MBE Awards by Participating Agency/Department

FY2016 State Procurement Agency/Department	% MBE Participation	Total MBE Awards	Total ALL Awards
Motor Vehicle Administration	54.32%	\$11,244,348	\$20,698,476
Public Safety & Corrections	48.82%	\$56,782,874	\$116,307,224
Bowie State University	40.03%	\$4,875,060	\$12,179,960
Insurance Administration	37.40%	\$175,733	\$469,885
Morgan State University	35.01%	\$34,302,017	\$97,981,007
Public School Construction	32.30%	\$203,179,729	\$628,968,718
State Archives	31.60%	\$159,361	\$504,268
Board of Elections	30.08%	\$4,406,214	\$14,646,949
Retirement and Pension System	29.37%	\$993,600	\$3,382,850
Stadium Authority	28.90%	\$39,315,583	\$136,048,100
Attorney General	28.42%	\$130,207	\$458,146
Environmental Services	24.78%	\$24,786,348	\$100,019,168
U of MD, Baltimore County	24.19%	\$32,645,359	\$134,945,647
Budget and Management	23.80%	\$4,278,122	\$17,971,880
Environmental Services	22.85%	\$195,054	\$853,776
Transportation (TSO)	22.01%	\$8,974,428	\$40,772,386
Worker's Compensation Commission	21.75%	\$165,817	\$762,318
Public Works	21.35%	\$5,599	\$26,225
Transportation Authority	21.14%	\$27,808,930	\$131,566,678
General Services	21.04%	\$59,183,796	\$281,328,930
Labor, Licensing & Regulation	20.77%	\$13,444,786	\$64,722,158
Aviation Administration	20.69%	\$63,360,489	\$306,180,634
Transit Administration	20.33%	\$471,244,083	\$2,318,095,112
U of MD, Baltimore	20.17%	\$31,613,641	\$156,747,593
Housing & Community Dev.	20.06%	\$7,561,930	\$37,698,656
Human Resources	19.83%	\$16,937,590	\$85,413,936
Port Administration	19.38%	\$14,138,644	\$72,963,564
State Highway Administration	19.33%	\$294,192,574	\$1,521,673,924
U of MD, College Park	18.47%	\$92,919,442	\$502,965,014
Coppin State University	16.66%	\$1,699,374	\$10,198,793
Towson University	15.73%	\$9,983,653	\$63,456,474
Deaf, School of	15.70%	\$437,046	\$2,783,573
Education	15.16%	\$4,514,428	\$29,780,174
Assessments and Taxation	14.70%	\$160,957	\$1,095,066
U of MD, Eastern Shore	14.36%	\$3,380,457	\$23,546,144
Lottery & Gaming Control	14.21%	\$7,346,446	\$51,682,032
Public Service Commission	13.29%	\$190,647	\$1,433,986
Executive Department	13.21%	\$588,792	\$4,456,285
Salisbury State University	13.14%	\$1,943,110	\$14,786,050
Tax Court	12.60%	\$2,963	\$23,523
Veteran's Affairs	12.16%	\$3,712,642	\$30,536,286
Planning	12.10%	\$102,926	\$850,820
Military Department	11.27%	\$230,001	\$2,041,669

Health & Mental Hygiene	11.24%	\$24,187,325	\$215,283,761
Food Center Authority	11.08%	\$197,251	\$1,780,035
University of Baltimore	11.03%	\$1,389,957	\$12,597,738
Frostburg State University	10.24%	\$1,413,462	\$13,798,174
State Police	10.09%	\$1,550,449	\$15,366,294
Treasurer's Office	7.61%	\$766,520	\$10,073,077
Subsequent Injury Fund & Uninsured Employer	7.44%	\$8,476	\$113,850
Natural Resources	7.23%	\$2,012,245	\$27,821,912
Baltimore City Community College	7.07%	\$654,316	\$9,252,715
Juvenile Services	6.76%	\$10,027,191	\$148,224,116
Public Television	6.69%	\$522,735	\$7,809,769
Comptroller	6.24%	\$2,389,099	\$38,304,935
State Prosecutor	6.12%	\$1,512	\$24,690
U of MD, University College	5.06%	\$4,161,187	\$82,170,923
Commerce	5.00%	\$151,024	\$3,017,622
Public Defender	4.91%	\$529,341	\$10,775,540
Agriculture	4.69%	\$197,773	\$4,215,809
Higher Education Commission	4.02%	\$30,923	\$770,084
St. Mary's College	4.01%	\$908,042	\$22,660,756
People's Counsel	3.67%	\$50,060	\$1,364,089
Information Technology	2.46%	\$7,852,244	\$319,729,215
Human Relations Commission	2.18%	\$1,075	\$49,381
Aging	0.42%	\$8,210	\$1,971,364
Canal Place Preservation	0.00%	\$0	\$158,954
Automobile Insurance Fund	No Report	No Report	No Report
Supplemental Retirement	No Report	No Report	No Report
STATE OF MARYLAND TOTAL	20.18%	\$1,612,325,217	\$7,990,358,860

Exhibit 9: FY2016 MBE Awards by Procurement Category

FY2016 Procurement Category	Total Awards	MBE Prime Awards	MBE Subcontract Awards	Total MBE Awards	MBE Partici- pation
Architectural	\$330,047,200	\$13,029,345	\$79,627,737	\$92,657,082	28.1%
Engineering	\$275,913,263	\$15,624,567	\$44,745,175	\$60,369,742	21.9%
Construction	\$4,325,967,985	\$120,402,855	\$910,444,620	\$1,030,847,475	23.8%
Construction Related Services	\$78,390,335	\$4,325,954	\$12,341,228	\$16,667,182	21.3%
Maintenance	\$484,591,998	\$70,363,431	\$31,158,270	\$101,521,701	20.9%
Services	\$847,792,777	\$94,612,982	\$81,160,823	\$175,773,805	20.7%
Supplies & Equipment	\$494,124,321	\$19,755,376	\$4,426,133	\$24,181,509	4.9%
IT Services	\$231,529,531	\$29,276,837	\$18,611,994	\$47,888,831	20.7%
IT Supplies & Equipment	\$412,992,366	\$21,239,612	\$1,212,358	\$22,451,970	5.4%
Human, Cultural, Social & Educational Services	\$155,533,483	\$13,475,720	\$9,681,806	\$23,157,526	14.9%
Corporate Credit Card	\$209,596,976	\$11,046,211	\$0	\$11,046,211	5.3%
Direct Voucher	\$143,878,625	\$5,762,183	\$0	\$5,762,183	4.0%
Totals:	\$7,990,358,860	\$418,915,073	\$1,193,410,144	\$1,612,325,217	20.2%



Jimmy Rhee
Special Secretary

Herbert Jordan
Deputy Secretary

James King
Director, Policy and Legislative Affairs

Alison Tavik
Director, Communications

Lisa Sanford
Manager, MBE Compliance

Chantal Kai-Lewis
Manager, MBE Compliance & BPW

Gerald Stinnett
Manager, MBE Compliance, VLT Operations

Lisa M. Sennaar
Manager, SBR Compliance

Eduardo Hayden
Manager, Small Business Outreach

Randall Nixon
Governor's Business Ombudsman



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