

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

House Bill 923

(Delegate Levi, *et al.*)

Health and Government Operations

Education, Health, and Environmental Affairs

**Procurement - Minority Business Enterprises - Review of Application for
Certification and Notice to Applicant**

This bill requires the Board of Public Works to develop regulations requiring that the Maryland Department of Transportation (MDOT) complete its review of an application for minority business enterprise (MBE) certification and notify the applicant within 90 days of receiving a complete application that includes all information needed to make a decision. The regulations must also authorize MDOT to extend only once the notification requirement by not more than 60 days after providing the applicant with a written notice and explanation of the extension.

Fiscal Summary

State Effect: Assuming MDOT exercises the 60-day extension authority regularly, MDOT can handle the bill's requirements with existing budgeted resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: The State's MBE program establishes a goal that at least 25% of the total dollar value of each agency's procurement contracts be awarded to MBEs, including 7% to African American-owned businesses and 10% to woman-owned businesses. There are no penalties for agencies that fail to reach these targets. Instead, agencies are required to use race-neutral strategies to encourage greater MBE participation in State procurements.

MDOT is the State's MBE certification agency, and there are currently more than 4,000 certified MBEs in the State.

Background: MDOT's Office of Minority Business Enterprise employs eight investigators to review and process approximately 105 applications for new certification each month (1,260 annually). Total processing time averages about 140 days, including, on average, a delay of 12 days due to incomplete applications.

Additional Information

Prior Introductions: None.

Cross File: SB 546 (Senator Peters, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Board of Public Works, Department of General Services, Department of Budget and Management, Maryland Department of Transportation, University System of Maryland, Department of Legislative Services

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