

Department of Legislative Services
Maryland General Assembly
2010 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 849

(Senator Harrington)

Education, Health, and Environmental Affairs

Health and Government Operations

Procurement - Minority Business Enterprise Program - Report

This bill requires that annual reports submitted by each State procurement unit to the Governor's Office of Minority Affairs (GOMA) include (1) the number and names of certified minority business enterprises (MBEs) that participated as prime contractors or as subcontractors on procurement contracts awarded by the unit; and (2) a list and description of contracts awarded to each MBE named in the reports.

Fiscal Summary

State Effect: None. Procurement units can handle the additional reporting requirement with existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Within 90 days of the end of each fiscal year, each procurement unit must provide to GOMA, the Maryland Department of Transportation, and the Joint Committee on Fair Practices a report summarizing the participation of MBEs in the unit's procurement activities. Among other requirements, the report must state the total number and value of procurement contracts between the unit and certified MBEs, including whether each MBE participated as a prime contractor or as a subcontractor. Procurement units are not required to name the MBEs in the reports they submit.

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.

The MBE program is scheduled to terminate July 1, 2012.

The Maryland Funding Accountability and Transparency Act (Chapter 659 of 2008) requires the Department of Budget and Management (DBM) to maintain a free, public, searchable web site that includes detailed information on State payments to vendors of \$25,000 or more. The Maryland Funding Accountability web site (www.spending.dbm.maryland.gov) includes a database of every contract payment of \$25,000 or more, including a description of the payment, for fiscal 2008 and 2009. The database can be searched by agency, vendor, or zip code.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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Analysis by: Michael C. Rubenstein

Direct Inquiries to:
(410) 946-5510
(301) 970-5510