

# **SB0009 -- Procurement - Minority Business Enterpri**

Uploaded by: Brian Levine

Position: FAV



**Senate Bill 9 -- Procurement - Minority Business Enterprises - Qualification and Certification**  
**Senate Budget and Taxation Committee**  
**January 25, 2022**  
**Support**

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports Senate Bill 9 – *Procurement – Minority Business Enterprises – Qualifications and Certification*. Senate Bill 9 allows a business to certify as a state Minority Business Enterprise (MBE) without any paperwork other than evidence of a current certification under the federal Disadvantaged Business Enterprise (DBE) program.

The State's MBE program is certified by the Maryland Department of Transportation's (MDOT) Office of Minority Business Enterprise. The federal DBE program is certified by the U.S. Department of Transportation and has similar aims as Maryland's MBE program, which is to increase participation of minority and women owned businesses in government projects.

Montgomery County and Metro Maryland are home to a vibrant and innovative community of federal government contracting companies. These small businesses are required to go through a rigorous and thorough certification processes to contract with federal government agencies. When these businesses apply for MBE certification, the process can seem redundant and time consuming if a company has already earned certification through a similar federal government program.

MCCC has long sought to grow the success of small and disadvantaged federal government contractors. The most prominent effort is the Montgomery County Chamber Community Foundation's Veteran Institute for Procurement (VIP), a free nationally recognized federal procurement training program for Service-Disabled Veteran-Owned Small Businesses and Veteran-Owned Small Businesses. Even as the VIP program continues to achieve strong and measurable success, one hurdle often encountered by program graduates is the time and effort it takes to certify as a minority business contractor. Senate Bill 9 addresses this issue by reducing a time-consuming and redundant regulatory hurdle of earning similar certifications at multiple levels of government.

MCCC contends that passage of Senate Bill 9 will also encourage increased minority contractor participation by eliminating a redundant certification process. Allowing federal DBEs to certify as state MBEs by simply providing evidence of current federal certification is an important step forward to encouraging more participation of minority companies, including many firms that are part of Maryland's growing small business contractor segment.

**For these reasons, the Montgomery County Chamber of Commerce supports Senate Bill 9 and respectfully requests a favorable report.**

*The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.*

Brian Levine / Vice President of Government Affairs  
Montgomery County Chamber of Commerce  
51 Monroe Street / Suite 1800  
Rockville, Maryland 20850  
301-738-0015 / [www.mccc.md.com](http://www.mccc.md.com)

# **Senator West - SB 9 Procurement - Minority Business**

Uploaded by: Christopher West

Position: FAV

CHRIS WEST  
Legislative District 42  
Baltimore County

Judicial Proceedings Committee

Vice Chair, Baltimore County  
Senate Delegation



THE SENATE OF MARYLAND  
ANNAPOLIS, MARYLAND 21401

Annapolis Office  
James Senate Office Building  
11 Bladen Street, Room 303  
Annapolis, Maryland 21401  
410-841-3648 · 301-858-3648  
800-492-7122 Ext. 3648  
Chris.West@senate.state.md.us

District Office  
1134 York Road, Suite 200  
Lutherville-Timonium, MD 21093  
410-823-7087

January 25, 2022  
Senate Budget and Taxation Committee  
The Honorable Guy Guzzone  
3 West Miller Senate Building  
Annapolis, Maryland 21401

**RE: SB 009 – Procurement – Minority Business Enterprises – Qualification and Certification**

Dear Chairman Guzzone and Members of the Committee,

Ever since 1978, Maryland has had a Minority Business Enterprise (MBE) Program to encourage women and minority-owned firms to participate in the State procurement process. Maryland's current MBE statute requires agencies to make every effort to achieve minimum goal of 29% of the total dollar amount of their procurement contracts directly or indirectly from certified MBE firms. The oversight of this program is vested in the Governor's Office of *Small Minority and Women Business Affairs*. However, the Office of *Minority Business Enterprise* within the Maryland State Department of Transportation serves as the State's official MBE certification unit. In fiscal 2019, Maryland's MBE achievement was only 17.9% of contract awards, well short of the 29% goal.

The federal government also has an MBE program, overseen by the U. S. Small Business Administration, but businesses must separately qualify as MBEs under federal and State law. Under current Maryland law, to obtain a Maryland MBE certification, an applicant must fill out lengthy application documents, undergo an investigation, be the subject of a deliberative administrative proceeding and then await an ultimate determination letter. Plainly, a business which has successfully navigated federal statutes and regulations and qualified as a federal MBE must apply and qualify separately under Maryland's MBE program. This is burdensome to minority and women-owned businesses and deters participation in the State procurement process.

Senate Bill 009 merely requires the State Board of Public Works, which oversees all State procurement, to adopt new procurement regulations that will enable a federal MBE that has been certified under the federal disadvantaged business enterprise program to become certified as a Maryland MBE without requiring the business to file any additional paperwork other than evidence of its federal certification.

In short, this bill changes existing law to provide that a federal certification alone will suffice, and an MBE will no longer have to separately establish its eligibility under Maryland law.

I appreciate the committee's consideration of Senate Bill 009 and will be more than happy to answer and follow-up questions the committee may have.

**SB0009 - 1.25.22 --Procurement - Minority Business**

Uploaded by: Donald Fry

Position: FAV



**TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE**

**SENATE BILL 9 – Procurement – Minority Business Enterprises –  
Qualification and Certification  
Sponsor: Senator Chris West**

**January 25, 2022**

**DONALD C. FRY  
PRESIDENT & CEO  
GREATER BALTIMORE COMMITTEE**

**Position: Support**

Senate Bill 9 would require the Board of Public Works to adopt regulations to require the certification of a business as a Minority Business Enterprise (MBE) without requiring the business to file any additional paperwork other than evidence of certification under the federal Disadvantaged Business Enterprise Program and that the business remains qualified under the federal program.

The Greater Baltimore Committee (GBC) supports this legislation. The federal Disadvantaged Business Enterprise Program is both targeted and thorough; a certification from this entity should be sufficient to endorse qualifying Maryland businesses as Minority Business Enterprises. During the pandemic, disadvantaged, minority, and women owned businesses should be afforded the most streamlined process to receive the aid they desperately need. Eliminating redundancy in certification regulations is a simple but significantly beneficial way to help disadvantaged businesses recover.

In the Greater Baltimore Committee report *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, eight core pillars were identified for a competitive business environment.

**Regulatory policies that are streamlined, stable and predictable.** Maryland must project to businesses within and outside the state that its government regulatory policies are reasonable, relevant, free of surprises or redundancy, and considerate of businesses' sense of urgency.

**Government leadership that unites with business as a partner.** Maryland leaders must set a welcoming tone that communicates positive support for business, respect for the private sector as a partner, not an adversary, and reflects a strategic plan for business growth and job creation.

Minority businesses face significant hurdles that stem from the legacy of systemic efforts to keep them from being full participants in the economy. The GBC contends that reducing redundancy for minority businesses will be a benefit to them individually and the entire business community as a whole.

**For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 9.**

*The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 67-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.*

**GREATER BALTIMORE COMMITTEE**

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • [www.gbc.org](http://www.gbc.org)

**SB0009 - MBE - Qualifications - LOI\_FINAL.pdf**

Uploaded by: Patricia Westervelt

Position: INFO



---

January 25, 2022

The Honorable Guy Guzzone  
Chairman, Senate Budget and Taxation Committee  
3 West Miller Senate Office Building  
Annapolis, Maryland 21401

***Re: Letter of Information – Senate Bill 9 – Procurement – Minority Business Enterprises –  
Qualification and Certification***

Dear Chairman Guzzone and Committee Members:

The Maryland Department of Transportation (MDOT) takes no position on Senate Bill 9 but offers the following information for the Committee's consideration.

Senate Bill 9 removes the provision requiring that a certified Disadvantaged Business Enterprise (DBE) from another jurisdiction must meet the eligibility requirements for the State Minority Business Enterprise (MBE) Program.

MDOT's Office of Minority Business Enterprise (OMBE) is responsible for implementing the State's Certification Program. As such, MDOT OMBE is the only office that certifies firms for participation in the State's MBE Program and the Federal Disadvantaged Business Enterprise (DBE) Program.

In order for Maryland's MBE Program to remain constitutional, MDOT can only certify firms owned by members of groups lawfully included in the Maryland statute. To be certified in the MBE Program, the individual(s) holding a 51% ownership interest in the firm must be a member of one of the presumptively disadvantaged groups as defined under Maryland law. It is critical to note that based on the underlying evidence supporting each program, the presumptively disadvantaged groups defined under federal law are different from the groups in the MBE Program. Therefore, in order for the Maryland Program to remain constitutional, MDOT can only certify firms owned by members of groups lawfully included in the Maryland statute. Should Senate Bill 9 pass, Maryland's MBE Program would be at risk.

Additionally, Senate Bill 9 provides a benefit to out-of-state firms and penalizes Maryland firms. The bill requires the State to certify non-resident DBE firms as MBEs, regardless of their ability to satisfy the MBE Program's requirements. Meanwhile, there is no benefit to resident Maryland firms seeking certification because they still must satisfy the eligibility requirements of the MBE Program. This includes the requirement that Maryland-based firms must be in good standing with the Department of Assessment and Taxation (DAT) before being certified as an MBE. With Senate Bill 9, an out-of-state DBE firm is not required to be DAT-registered at the time of certification, whereas a Maryland-based firm must be registered at the time of certification.

The Honorable Guy Guzzone  
Page Two

The Maryland Department of Transportation respectfully requests the Committee consider this information when deliberating Senate Bill 9.

Respectfully submitted,

Pilar Helm  
Director of Government Affairs  
Maryland Department of Transportation  
410-865-1090