

**Testimony, EMS, SB 510.pdf**

Uploaded by: DONNA STEVENSON

Position: FAV



Early Morning Software, Inc.  
227 North Holliday Street  
Baltimore, MD 21202

March 7, 2023

The Senate of Maryland  
James Senate Office Building  
11 Bladen Street  
Annapolis, MD 21401

Dear Chair and Committee Members:

Subject: Senate Bill 510: Procurement Minority Business Enterprises and Veteran-Owned Small Business Enterprises - Participation Goal Scorecard Sponsored by Senator Antonio Hayes

Early Morning Software, Inc. (EMS) is writing a testimony in favor of SB0510 - Procurement Minority Business Enterprises and Veteran-Owned Small Business Enterprises - Participation Goal Scorecard.

EMS is headquartered in Baltimore, Maryland and certified by Maryland Department of Transportation as Minority, Woman, and Disadvantaged Business Enterprise. Our company was certified in 1995. We were founded in 1993 as a regional software research lab servicing government client, including state of Maryland agencies, NSA and Center for Medicare and Medicaid Services. Over the last three decades we have expanded and evolved to a national software manufacturer company where our flagship product is PRISMCompliance.com. PRISM is a comprehensive software platform used primarily by local and state government to manage the performance of their Minority Business Enterprise Program, Certification Management and Contract Compliance. Our customers include several MD Departments. The PRISMCompliance.com portal allows our clients to automate the operations associated with goal setting, evaluating sub plan, and more importantly reporting MBE participation on contracts and overall procurement. The net results are greater access to opportunities for MBEs and transparency to measure the MBE participation on their contracts and non-compliance.

Our non-profit organization, COMPASS Institute for Diversity, Equity and Inclusion, provides professional development for leaders and staff responsible for MBE and Economic Inclusion. We have authored "The Top Ten Principles For Successful Economic Inclusion Programs and Practices" which encourages organizations to initiate Performance Scorecards and implement the 10 principles that have proven to propel MBE economic impact and development.

Minority Business Enterprises legislation and program policies are vital to create opportunities for MBEs and eliminate systemic barriers to contracting opportunities.

A management theorist was recognized for the saying "What gets measured gets improved."

I am Donna Stevenson, M/WBE and CEO, my quote to leaders is

***Platinum Economic Inclusion Practices elevate Performance, and that Performance produces exponential MBE Economic Impact.***

The subject Senate Bill 510 and House Bill 816 will transform the performance of Maryland's MBE program and economy. By requiring Maryland Departments to have measures and report a performance

[www.prismcompliance.com](http://www.prismcompliance.com)



Early Morning Software, Inc.  
227 North Holliday Street  
Baltimore, MD 21202

scorecard inherently shifts leaders from resting on their laurels to focus on complying with Maryland Law and on the MBE economic impact that will propel the state of Maryland to be more competitive and inclusive of all its citizens. The Performance Scorecard positions Departments with metrics on MBE participation for reaching the state's overall MBE goal of 29%.

According to the Governor's Office of Small, Minority and Woman Business Affairs' annually report of the MBE Participation Rates by Agency (See Table on next page). Most Maryland departments do not reach the state's overall MBE of 29%.

As an expert consultant and solution provider, EMS has helped numerous governments across the country implement Platinum Standards and as a result witnessed the expansion of MBE's access to procurement opportunities and increase of MBE participation. *INTENTIONAL* legislation and actions such from House Bill 816 and Senate Bill 510 may yield the following benefits:

- Leaders will understand the importance of and enact practices to comply with MD MBE laws;
- Departments will examine and determine the gaps in their MBE program management processes;
- They will identify new procurement categories for MBE participation;
- Maryland's MBE will have more procurement opportunities which may be the catalyst to business growth, as it was tantamount to Early Morning Software's success.
- Maryland MBEs will produce greater economic impact through
  - increased taxes – property, sales and income to the State of Maryland
  - increased income and revenues leads to stronger and safer communities
  - expanded job creation which stimulates home ownership and healthy families.

Early Morning Software, Inc. strongly urges favorable support for House Bill 816 and Senate Bill 510.

Respectfully submitted,

Donna S. Stevenson  
President/CEO

**Enclosure**



**Minority Business Enterprise Participation Rates, by Agency  
Fiscal 2021**

<b><u>Cabinet Agency</u></b>	<b><u>% Participation</u></b>
Aging	0.1%
Agriculture	5.0%
Budget and Management	1.0%
Commerce	2.2%
Education	4.4%
Environment	33.4%
Executive Department	2.2%
General Services	15.3%
Health	3.6%
Higher Education Commission	0.7%
Housing and Community Development	22.6%
Human Services	NA
Information Technology	6.0%
Juvenile Services	12.6%
Labor	3.3%
Military	1.4%
Natural Resources	1.2%
Planning	1.2%
State Police	8.2%
Public Safety and Correctional Services	33.3%
Transportation – Aviation Administration	21.5%
Transportation – Motor Vehicle Administration	32.8%
Transportation – Office of the Secretary	28.20%
Transportation – Port Administration	17.8%
Transportation – State Highway Administration	24.5%
Transportation – Transit Administration	23.9%
Transportation – Transportation Authority	19.3%
<b>Statewide Total<sup>1</sup></b>	<b>17.2%</b>

<sup>1</sup> Includes the University System of Maryland, Morgan State University, St. Mary's College of Maryland, and non-Cabinet agencies.

NA: Not Available/Did Not Report

Source: Governor's Office of Small, Minority, and Women Business Affairs

---

# **The Top Ten Principles for Successful Economic Inc**

Uploaded by: DONNA STEVENSON

Position: FAV



# The Top Ten Principles For Successful Economic Inclusion Programs and Practices

COMPASS Institute for Diversity, Equity and Inclusion



## VISION

To implement DEI best practices and elevate performance standards.

## MISSION

COMPASS INSTITUTE For Diversity, Equity, & Inclusion, Inc. was formed in 2021. Donna Stevenson Robinson is the President. The organization is spearheaded by a vision of Diversity and Economic Inclusion experts having an interest in transforming economic and social disparities. COMPASS has evolved from an annual conference event to a global research and advisory firm providing information, advice, and tools for leaders in economic inclusion, procurement, diversity management and contract compliance functions. In that interest, COMPASS fosters the establishment DEI policies and best practices to be accepted and implemented for **procurement systems within** corporate and government for the economic inclusion of historically underutilized business owners and workforces into mainstream of domestic and international markets. In partnership with organizations of similar mission. Finally, COMPASS seeks to address barriers that reduce equitable access to markets and achieve economic inclusion for all groups into the mainstream ecosystem.

## GOAL AND OBJECTIVES

COMPASS will facilitate positive and sustainable inclusion and economic benefits to historically underutilized workforce and business communities by servicing organizations globally with professional development, education, and implementation of Diversity and Economic Inclusion standards and practices. COMPASS will achieve this through the following:

- Global Training
- Professional Development
- Consulting, Assessment, and Economic Impact Analysis Services
- Diversity & Economic Inclusion management systems and services
- COMPASS Membership Offerings

## PLATINUM STANDARDS AND PRINCIPLES

The following “Top Ten Principles” represent the key elements for successful supplier diversity programs and practices. These principles are intended as guideposts for those public and private sector signatories that aspire to achieve a “platinum standard” in their inclusion of underutilized segments of the business community in their contracting and purchasing activities. Heretofore, such diverse suppliers have all-too-often have found themselves relegated to being mere spectators along the shores of the economic mainstream. Through its encouragement of the universal adoption and application of these principles, COMPASS seeks to transform the global marketplace into one in which the historical disadvantages of race, gender, and national origin are forever eliminated as factors impeding the accumulation of wealth and the achievement of prosperity within any community.



**COMPASS Institute for Diversity, Equity and Inclusion**  
**The Top Ten Principles For Successful Economic Inclusion Programs and Practices**

- (1) **Clarity in Mission.** Economic inclusion programs and policies should provide a clear and succinct Mission Statement that defines what success is, how success will be achieved, and how success will be measured. Who are the intended beneficiaries of the program or policy? What are the identified barriers to their mainstream economic inclusion? How will the identified barriers be addressed? By what standards will diverse suppliers have fully integrated into the mainstream of the supply chain (e.g., relative availability, revenues, diversification across industry segments, rate of growth, relative capacity, bid success rate, prime vs. subcontract participation)?
- (2) **Comprehensive Outreach & Solicitation.** Economic inclusion programs and policies should include aggressive outreach to attract and solicit new diverse sources of supply. Such outreach should include in-person matchmaking efforts, automated centralized bidder registration systems to facilitate fair and timely dissemination of bid solicitations and contract opportunities, and proactive recruitment efforts to encourage diverse suppliers to diversify products and services to meet upcoming procurement demands. In addition, signatories to these principles should freely share supply chain sources for diverse suppliers internally and externally.
- (3) **Maximized Supply Chain Access.** Economic inclusion strategies should include a critical review of all supplier requirements and procurement procedures to eliminate or reduce any unnecessarily restrictive barriers that tend to impede or prevent small businesses and new entrants from becoming suppliers (e.g., experience requirements, bonding, credit ratings, insurance, bundling of contract requirements, name brand bid specifications, prequalification requirements, slow payment, and brief response times to bid solicitations).
- (4) **Identification / Certification of Historically Underutilized Business Segments.** Economic inclusion programs and policies should clearly identify and define program beneficiaries based upon objective data reflecting that each such segment of the diverse business population has been persistently and significantly underutilized as compared to its relative availability in the relevant marketplace. Such focus and concentration of program resources is necessary in order to avoid dilution of program effectiveness. In addition, the integrity of the economic inclusion program or policy is directly tied to achievement of its stated mission.
- (5) **Data-Driven Goals and Affirmative Procurement Strategies.** Economic inclusion programs and policies should include special incentives, strategies, and procurement methods that are designed to enhance contract opportunities for, and awards to, diverse suppliers at both the prime contract and subcontract levels. The size of any annual aspirational goals, contract-specific utilization goals, or evaluation preferences used in the contract award process should be rationally related to objective data regarding qualifications, relative availability, and capacity of diverse suppliers.



**COMPASS Institute for Diversity, Equity and Inclusion**  
**The Top Ten Principles For Successful Economic Inclusion Programs and Practices**

- (6) **Administrative Accountability.** Economic inclusion programs and policies should clearly specify which personnel within the signatory's organization are responsible for administering each aspect of the program or policy. It is important that all departments and units that are involved in any aspect of the procurement / contracting process share in the responsibility for administration of the program and achievement of its economic inclusion mission. Duties and responsibilities for the administration of each aspect should be clearly assigned under the terms of the program or policy. Personnel that exhibit exemplary behavior in their performance of such administrative duties and responsibilities should be rewarded (e.g., public recognition, bonuses, compensatory leave). Personnel that fail to fulfill their duties and responsibilities should conversely be held accountable (e.g., in personnel evaluations, compensation considerations, and eligibility for promotions).
- (7) **Compliance.** Economic inclusion programs and policies should contain terms to ensure compliance by prime contractors and vendors with established goals and affirmative procurement requirements that are applied to the procurement process and to specific contracts. Exemplary compliance should be rewarded (e.g., public recognition, enhanced future contract opportunities). Failure to comply with economic inclusion requirements should have negative consequences for the non-complying party that are reflected in the program policy and procedures and in material contractual terms.
- (8) **Mainstream Participation.** Economic inclusion programs and policies should provide for significant prime contract participation and subcontract participation commensurate with the availability and capacity of diverse suppliers. Moreover, the distribution of contract awards to diverse suppliers as measured by various parameters (e.g., contract size, industry segment, and contract duration) should be equitable and in furtherance of the program mission statement, and as compared to similarly situated non-diverse suppliers.
- (9) **Enhanced Growth and Capacity.** Economic inclusion programs and policies should establish practices that encourage the sustained growth of diverse suppliers and promote their diversification into the supply chain for those goods and services for which there is inadequate supplier competition and/or increasing demand by the signatory organization. Such mechanisms and strategies should also include resources for upgrading the capacity of diverse supplier firms as necessary for them to become competitively viable sources of supply in the economic mainstream.
- (10) **Periodic Review and Internal Audits.** Economic inclusion programs and policies should be subject to review on at least an annual basis to objectively measure progress towards achievement of the program's overall objectives, and the degree of effectiveness for each of the economic inclusion strategies that have been employed during the prior year. Where appropriate, such reviews should prompt the consideration, adoption, and implementation of new policies, procedures, and practices designed to accelerate program success. Independent internal audits of the signatory's procurement process and economic inclusion



**COMPASS Institute for Diversity, Equity and Inclusion**  
**The Top Ten Principles For Successful Economic Inclusion Programs and Practices**

program and policies are a favored means for establishing a detailed road map for programmatic improvements. As transparency is the hallmark for such reviews and internal audits, these efforts should result in publicly available written reports that detail and document program results at all stages of the bid solicitation, contract award / supplier selection, and contract compliance processes, and also provide the granular data upon which the conclusions and recommendations of the reports are based.

For more information and assessment services, contact  
**COMPASS Institute for Diversity, Equity & Inclusion, Inc.**  
227 North Holliday Street  
Baltimore, MD 21202  
Donna S. Stevenson  
410.336.4127

**HB0816\_GOSBA\_FWA (final).pdf**

Uploaded by: Davon Gardner

Position: FWA



**GOVERNOR'S OFFICE OF  
SMALL, MINORITY & WOMEN  
BUSINESS AFFAIRS**

---

*Governor Wes Moore*

*Lt. Governor Aruna Miller*

---

DATE: March 8, 2023  
BILL NUMBER: SB 510  
COMMITTEE: Budget of Taxation Committee  
BILL TITLE: Procurement - Minority Business Enterprises and Veteran-Owned Small Business Enterprises - Participation Goal Scorecard  
GOSBA POSITION: **FAVORABLE WITH AMENDMENTS**

---

The Governor's Office of Small, Minority & Women Business Affairs thanks the Committee for the opportunity to provide written support for Senate Bill 510 (SB 510). SB 510 requires this office to develop a scorecard to evaluate units of State Government on the units' performance toward meeting certain participation goals under the Minority Business Enterprise Program and the Veteran-Owned Small Business Enterprise Program. The proposed legislation also establishes a certain grading scale for the scorecard and requires the grades from each unit of state government to be included in GOSBA's annual report.

As drafted, SB 510 proscribes a grading scale that may not be reflective of the ability of some units to procure MBEs. Smaller units that purchase products and services below the \$100,000 threshold (the trigger point for evaluation of MBE goals) and have few to no subcontracting opportunities may never achieve the statewide participation goal independently, while large purchasing agencies with a broad range of subcontracting opportunities that are buying goods and services above the \$100,000 threshold could have the potential to exceed the goal.

We recommend that the language in HB SB 510 be amended to give this office the authority to formulate the grading scale used for the performance scorecard. This would allow for a weighted system that accurately depicts each units' contribution to the statewide MBE goal.

We believe this legislation requiring the grading scale to be published in the annual report will misrepresent many of the units' performance. Therefore, we suggest that the scorecard be posted on our website.

The Governor's Office of Small, Minority & Women Business Affairs respectfully submits this Letter of Information for SB 510.

Sincerely,

Davon K. Gardner  
Director, Policy & Legislative Affairs  
Governor's Office of Small, Minority & Women Business Affairs  
[DavonK.Gadner@Maryland.gov](mailto:DavonK.Gadner@Maryland.gov)  
667-644-1358

**SB 510\_MAA\_LOI.pdf**

Uploaded by: Nicolae Copper

Position: INFO

CHAIRMAN:  
Jeff Graf  
VICE CHAIRMAN  
David Slaughter

**MARYLAND ASPHALT ASSOCIATION**



TREASURER:  
Paul Bramble  
SECRETARY:  
Curtis Hall  
PRESIDENT:  
G. Marshall Klinefelter

March 8, 2023

Senator Guy Guzzone, Chair  
Senate Budget and Taxation Committee  
3 West, Miller Senate Office Office Building  
Annapolis, MD 21401

**RE: Senate Bill 510 – LETTER OF INQUIRY – Procurement - Minority Business Enterprises and Veteran-Owned Small Business Enterprises - Participation Goal Scorecard**

Dear Chair Guzzone and Members of the Budget and Taxation Committee:

The Maryland Asphalt Association (MAA) is comprised of 19 producer members representing more than 48 production facilities, 25 contractor members, 25 consulting engineer firms and 41 other associate members. MAA works proactively with regulatory agencies to represent the interests of the asphalt industry both in the writing and interpretation of state and federal regulations that may affect our members. We also advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 510 would require the Governor's Office of Small, Minority, and Women Business Affairs to evaluate units of State government based on the units' performance toward meeting pre-established participation goals under the Minority Business Enterprise Program and the Veteran-Owned Small Business Enterprise Program before implementing a letter-grade scorecard and assigning each unit of State government a corresponding letter grade for their performance.

MAA has some concerns about the bill as drafted that we would like to bring to the Committee's attention, namely that this process now seems duplicative given Governor Moore's February executive order requiring State agencies to submit a report to the Governor's Office that goes into far greater detail about MBE participation in agency procurements than this piece of legislation would demand—and with a deadline of only two months. In addition, we believe that the assignment of a letter grade to the entire body of an agency's procurement activity is reductive and fails to take into consideration numerous external factors that impact the procurement process outside of the agency's control. MAA is also concerned about the strict categorization of state agencies in this way and how easily these grades could be used to target particular agencies as part for future legislative action; thus, we would like to know specifically how the sponsor plans to use this scorecard and the grades that are assigned.

We appreciate you taking the time to consider our concerns about Senate Bill 510.

Sincerely,

Marshall Klinefelter  
President  
Maryland Asphalt Association

**SB 510\_MTBMA\_LOI.pdf**

Uploaded by: Nicolae Copper

Position: INFO



March 8, 2023

Senator Guy Guzzone, Chair  
Senate Budget and Taxation Committee  
3 West, Miller Senate Office Office Building  
Annapolis, MD 21401

**RE: Senate Bill 510 – LETTER OF INQUIRY – Procurement - Minority Business Enterprises and Veteran-Owned Small Business Enterprises - Participation Goal Scorecard**

Dear Chair Guzzone and Members of the Budget and Taxation Committee:

The Maryland Transportation Builders and Materials Association (MTBMA) has been and continues to serve as the voice for Maryland's construction transportation industry since 1932. Our association is comprised of 200 members. MTBMA encourages, develops, and protects the prestige of the transportation construction and materials industry in Maryland by establishing and maintaining respected relationships with federal, state, and local public officials. We proactively work with regulatory agencies and governing bodies to represent the interests of the transportation industry and advocate for adequate state and federal funding for Maryland's multimodal transportation system.

Senate Bill 510 would require the Governor's Office of Small, Minority, and Women Business Affairs to evaluate units of State government based on the units' performance toward meeting pre-established participation goals under the Minority Business Enterprise Program and the Veteran-Owned Small Business Enterprise Program before implementing a letter-grade scorecard and assigning each unit of State government a corresponding letter grade for their performance.

MTBMA has some concerns about the bill as drafted that we would like to bring to the Committee's attention, namely that this process now seems duplicative given Governor Moore's February executive order requiring State agencies to submit a report to the Governor's Office that goes into far greater detail about MBE participation in agency procurements than this piece of legislation would demand—and with a deadline of only two months. In addition, we believe that the assignment of a letter grade to the entire body of an agency's procurement activity is reductive and fails to take into consideration numerous external factors that impact the procurement process outside of the agency's control. MTBMA is also concerned about the strict categorization of state agencies in this way and how easily these grades could be used to target particular agencies as part for future legislative action; thus, we would like to know specifically how the sponsor plans to use this scorecard and the grades that are assigned.

We appreciate you taking the time to consider our concerns about Senate Bill 510.

Thank you,

Michael Sakata  
President and CEO  
Maryland Transportation Builders and Materials Association