



Wes Moore, Governor · Aruna Miller, Lt. Governor · Atif Chaudhry, Acting Secretary

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**BILL:** House Bill 816 - Procurement - Minority Business Enterprises and Veteran-Owned Small Business Enterprises - Participation Goal Scorecard

**COMMITTEE:** House Health and Government Operations

**DATE:** March 6, 2023

**POSITION:** Letter of Information

Upon review of House Bill 816 - Procurement - Minority Business Enterprises and Veteran-Owned Small Business Enterprises - Participation Goal Scorecard, the Maryland Department of General Services (DGS) provides these comments for your consideration.

This bill would require the Office of Small, Minority, and Women Business Affairs (GOSBA) to develop a scorecard to evaluate units' performance toward meeting the minority business enterprise (MBE) and the veteran-owned small business enterprise (VSBE) participation goals. Each unit's grades would be required to be included in GOSBA's annual report. The scorecard includes a letter grade scale corresponding to the unit's performance. The grading scale is:

- "A" for a unit that achieves 90% or more
- "B" for a unit that achieves between 80% and 89%
- "C" for a unit that achieves between 70% and 79%
- "Failing" for a unit that achieves below 70%

This bill would not have an operational or fiscal impact on the DGS or the DGS Office of State Procurement. However, there may be a negative impact on MBE and VSBE participation goal setting. Agencies may be less aggressive in setting their MBE and VSBE goals in order to avoid poor grade achievement.

For additional information, contact Ellen Robertson at 410-260-2908.