

NICK CHARLES  
Legislative District 25  
Prince George's County

The Maryland House of Delegates  
6 Bladen Street, Room 207  
Annapolis, Maryland 21401  
410-841-3707 · 301-858-3707  
800-492-7122 Ext. 3707  
Nick.Charles@house.state.md.us



Ways and Means Committee

Subcommittees

Racing and Gaming

Revenues

Chair

Prince George's County House Delegation

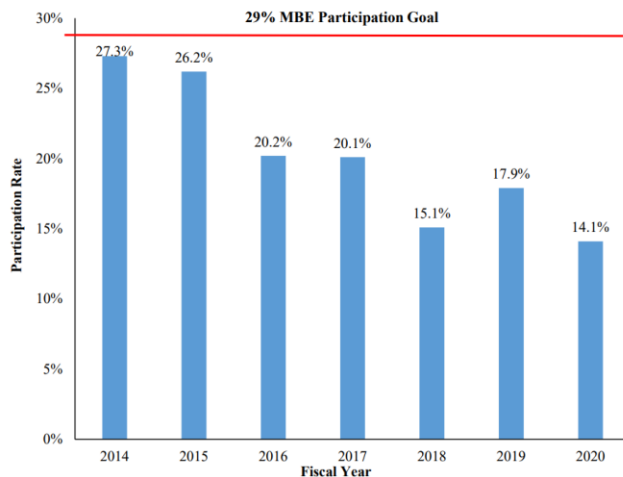
THE MARYLAND HOUSE OF DELEGATES  
ANNAPOLIS, MARYLAND 21401

Favorable Testimony

**HB646: State Procurement - Minority Business Enterprises and Small Business Enterprises - Procurement Forecast, Employee Performance, and Outreach (Small Business Protection Act of Maryland)**

Good Afternoon Chair Peña-Melnyk, Vice Chair Cullison and esteemed Members of the Health and Government Operations Committee. I write this letter to urge a favorable report on HB646, which calls for an array of procurement reform, including: incentivizing workers engaged in procurement related activities, mandating that State agencies publish a procurement forecast of upcoming contract opportunities and stipulates that the Governor's Office of Small, Minority, and Business Affairs (GOSBA) shall engage in certain mechanisms to help the State reach its 29% participation goal for Minority Business Enterprises (MBEs). This Bill is intended to uplift our minority and small businesses and ensure accountability in the procurement activities of the State.

The State of Maryland established the MBE program in 1978 to increase economic opportunity and participation for minority and women-owned firms to compete in State procurement. This race and gender-conscious procurement program applies to 70 agencies and departments within Maryland. In 2013, Maryland established a 29% MBE Aspirational participation goal in all qualifying State procurement expenditures, which the state has **consistently failed to meet**.



The chart above was included in the Evaluation of The Minority Business Enterprise Program completed by the Office of Program Evaluation and Government Accountability in 2022. It articulates that there is serious need to address procurement concerns. This same report also found that "Just over half of

contracts actually pay MBEs the percentage of participation agreed upon in the contract. Larger contracts have less MBE participation and are more likely to fall short of the agreed MBE participation.”

To target the fact that larger contracts have less MBE participation, HB646 requires State agencies to publish yearly a forecast of anticipated procurements in the coming year and the anticipated MBE participation goal for each procurement. Within the Bill’s stipulations, the GOSBA must additionally conduct specified outreach and develop a program to identify and increase awareness of procurement opportunities for small businesses and assist those small businesses in participating in State procurement. Many smaller businesses cannot gather the resources and employees necessary to compete for larger contracts when they do not have enough timely notice. Requiring a forecast of all anticipated procurement can allow small businesses to prepare themselves and collaborate with other small businesses to put in an effective bid. Additionally, GOSBA conducting outreach efforts will allow them to better understand the needs of MBEs and work with them to ensure heightened participation.

This Bill is a step we can take to push our State in the right direction of meeting goals and ensuring MBEs have the proper seat at the table when it comes to procurement. Please join me in support of this Bill.

Thank you,

Delegate Nick Charles

A handwritten signature in black ink that reads "Nick Charles". The signature is written in a cursive style with a horizontal line extending to the right.