



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

Governor Wes Moore

Lt. Governor Aruna Miller

DATE: March 6, 2023
BILL NUMBER: HB 816
COMMITTEE: House Health and Government Operations Committee
BILL TITLE: Procurement - Minority Business Enterprises and Veteran-Owned Small Business Enterprises - Participation Goal Scorecard
GOSBA POSITION: **Letter of Information**

The Governor's Office of Small, Minority & Women Business Affairs thanks the Committee for the opportunity to provide written testimony for House Bill 816 (HB 816). HB 816 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, HB 816 proscribes a grading scale that maybe not 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 816 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 HB 816

Sincerely,

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