

VII. ANECDOTAL EVIDENCE

A. Introduction

Anecdotal evidence is a widely accepted research tool that is based upon observation, interviews, public hearings and surveys. It is used in conjunction with statistical research to foster clarity and assist in understanding the statistical findings. Anecdotal information may help provide more meaning to the pure quantitative analysis and can also be utilized to help determine methods for improving the business practices of an entity. GSPC undertook various means of gathering anecdotal evidence from business owners and other members of the Montgomery County community as part of the Study, including:

- Telephone Survey of Business Owners
- Anecdotal Interviews
- Public Hearings
- Focus Groups

GSPC's experience in conducting disparity studies has shown that anecdotal data collected through multiple methods provides more comprehensive information than methodologies using a single-pronged approach. For this reason, GSPC used a combination of anecdotal surveys, telephone surveys, focus groups, public meetings, face-to-face interviews and an online comment form to collect anecdotal information and to identify issues that were common to businesses in the market area.

We were also able to draw inferences from these data as to the prevalence of obstacles perceived as limiting the participation of Minority/Female/Disabled owned business enterprises in Montgomery County's procurement transactions. The focus of the anecdotal surveys, telephone surveys, face-to-face interviews, focus groups and public meetings was to identify the respondents' experiences in conducting business with the County. GSPC solicited participation and responses from community members, and businesses that have done or attempted to do business with the County. The personal interview guide used in interviewing businesses included questions designed to establish a business profile for each business. Interviewers gathered information concerning the primary line of business, gender and ethnicity of the owner(s), type

of organization, number of employees, year the business was established, gross revenues, and level of education of the owners.

The questions were designed to glean information as to firms' experiences attempting and conducting business with the County (both directly and as a subcontractor); and experiences related to instances of discrimination experienced by the firm while attempting to do business with the County. The interviewers made no attempt to prompt or guide responses from the participants, although follow-up questions were asked to obtain clarification or further information as necessary.

The methodology utilized in collecting the anecdotal data was strategically designed to gather information on these business owners' experiences and to learn more about the prevalence of perceived instances of discrimination, unfair treatment or obstacles that may hamper the ability of MFDs to grow, develop and have opportunities to conduct business with Montgomery County, Maryland.

The collection and analysis of anecdotal evidence for this Study has been undertaken pursuant to reasoning contained in the U.S. Supreme Court's decision in Croson.¹⁶⁶ As discussed in the methodology portion of this Report, in Croson, the Court held that anecdotal accounts of discrimination could help establish a compelling interest for a local government to institute a race-conscious remedy. Moreover, such evidence can provide a local governmental or quasi-governmental entity with a firm basis for fashioning a program that is narrowly tailored to remedy identified forms of marketplace discrimination and other barriers to disabled, minority and women owned business participation in contract opportunities.

B. Telephone Survey of Business Owners

In September, 2013, Oppenheim Research conducted a telephone survey of business owners from the Montgomery County, Maryland, business community. GSPC provided the questions for the survey, and a random stratified list of vendors. The list was taken from the County's Central Vendor Registration System (CVRS) list and stratified by the major work categories (construction, professional services, other services, and goods) by their National Institute of Governmental

¹⁶⁶ City of Richmond v. J. A. Croson Co., 488 U.S. 492

Purchasing (NIGP) code. GSPC only used the firms that were located in DC, MD, VA, and WV.¹⁶⁷ Some of the firms on the list did not have NIGP codes, so those were included as a separate category called, “Other”. Based on an aspiration of 400 completed surveys, GSPC determined the number of completed surveys needed from each category based on the percentage of firms in each category. (See table below)

Table 91 - Telephone Survey of Vendors
Stratified Sample by Work Category
CVRS Vendors Located in DC, MD, VA, and WV

Vendors by Work Categories			
Work Categories	Total	Percentage	Sample Size
Construction	6960	12.22%	49
Goods	27267	47.87%	191
Other Services	11756	20.64%	83
Professional Services	10903	19.14%	77
Other	70	0.12%	0
Grand Total	56956	100.00%	400

GSPC provided Oppenheim Research with three times (3x) the number of firms in each category needed to achieve the sample. Each category list was randomly numbered so that Oppenheim could start with the first number and continue until it achieved the sample size for that category. Oppenheim Research made a total of 2,125 attempts, resulting in 409 completed surveys. The disposition of all attempts and calls is set forth in the table below.

¹⁶⁷ DC, MD, VA, and WV were utilized because they comprised the relevant market from the previous disparity study and the current relevant market had not yet been determined at the time the survey was undertaken. Once the Relevant Market was Determined it included DC, MD, VA and all of the U.S. including WV for Goods.

Table 92- Disposition of Telephone Survey Calls

Always Busy	7
Answering Machine	228
Business/Gov Office	2
Busy Signal	10
Callback/never reached	279
Cell P	1
Complete	409
Did not use services	28
Disconnected (VF)	110
Duplicate	128
Fax Machine	1
Final Fax	4
Final House Refusal	6
Final Refusal	94
Final Wrong #	24
Household Level RF	2
Ineligible (explain)	91
Known Respondent RF	4
No Answer	47
Not Used-Quota only	572
Resp Never Available	4
Spanish Callback	1
Temp Out of Service	35
Wrong #	27
Grand Total	2125

The telephone survey consisted of 86 substantive questions which asked for various financial and demographic data. A sample of the telephone survey is attached as Appendix F.

1. Findings by Cross-Tabulations

a) Race/Ethnicity/Gender

The distribution of firm ownership tabulated from the survey is as follows:

- African American: 71 or 17%
- Asian American: 43 or 11%
- Hispanic American: 35 or 9%
- Native American: 1 or 0%
- Caucasian: 229 or 56%
- Other: 17 or 4%
- No response: 13 or 3%

The distribution of firm ownership based upon gender¹⁶⁸ is:

- Male: 283 or 69%
- Female: 120 or 29%
- No response: 6 or 1%

The distribution of firm ownership based upon disabled status is:

- Disabled: 11 or 3%
- Non-Disabled: 395 or 97%
- No response: 3 or 1%

b) Business Category

The distribution based on response to the question, “Which one of the following is your company’s primary line of business?” is as follows:

- Building construction (general contractor): 48 or 12%
- Special Trade contractor (electrical, painting, etc.): 54 or 13%
- Professional Services: 185 or 45%
- General/Personal Services (security, training, maintenance, etc.): 35 or 9%
- Supplies and Equipment: 83 or 20%
- No response: 4 or 1%

¹⁶⁸ Response to telephone survey question which asked, “Is more than 50 percent of your company owned and controlled by a woman or women?”

c) Certification Status

Interviewees were asked if their company was a certified minority owned business and the responses were as follows:

- Certified: 303 or 74%
- Non-certified: 93 or 23%
- Don't Know/Not Applicable: 13 or 3%

When asked what the firm's certification is, the response was:

- MBE (Minority Business Enterprise): 135 or 45%
- WBE (Woman owned Business Enterprise): 62 or 20%
- DBE: (Disabled Business Enterprise) 37 or 12%
- SBE: 183 or 60%

d) Contracting or Subcontracting with Montgomery County

When asked how many times their company submitted bids or proposals for contracts as prime contractors with Montgomery County the response is reflected in the table below with regard to all respondents:

Table 93 - Number of Bids or Proposals Submitted to Montgomery County from July 1, 2007 to June 30, 2012¹⁶⁹

	Total	Non-MFDs (Caucasian Males)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	159	71	43	35	1	69	11	13	17
None	159 39%	49 30.8%	25 35%	24 56%	16 46%	0 0%	26 37.7%	7 64%	8 62%	11 65%
1-10	170 42%	75 47.2%	31 44%	14 33%	10 29%	0 0%	30 43.5%	3 27%	3 23%	6 35%
11-25	29 7%	12 7.5%	5 7%	3 7%	2 6%	0 0%	6 8.7%	0 0%	1 8%	0 0%
26-50	11 3%	4 2.5%	2 3%	0 0%	3 9%	0 0%	2 2.9%	0 0%	0 0%	0 0%
51-100	8 2%	4 2.5%	3 4%	0 0%	1 3%	0 0%	0 0.0%	1 9%	0 0%	0 0%
Over 100	15 4%	10 6.3%	0 0%	1 2%	2 6%	1 100%	1 1.4%	0 0%	0 0%	0 0%
DK/NA	17 4%	5 3.1%	5 7%	1 2%	1 3%	0 0%	4 5.8%	0 0%	1 8%	0 0%
		29.4%	29%	6%	6%	0%	23.5%	0%	6%	0%

The percentage of Caucasian and African American owned businesses that did not submit any bids or proposals was less than the 39% of all firms, at 31% and 35% respectively, while Asian-American and Hispanic American firms that did not submit any bids or proposals was higher, at 56% and 46%.¹⁷⁰ In comparing the responses to those firms that did not submit bids or proposals for other public projects (not Montgomery County) (see the table below), the percentage of responses were identical for Caucasians and relatively similar (within 5% points) for Hispanic Americans. However, a higher percentage of African Americans at 42% vs. the 35% for Montgomery County, and a lower percentage of Asian Americans at 42% vs. the 56% for

¹⁶⁹ All of the cross tabulated tables include the raw number with the vertical percentage under it and the horizontal percentage under that.

¹⁷⁰ Only one Native American firm responded to the survey and that firm bid over 100 times with Montgomery County

Montgomery County, responded that they submitted no bids or proposals during the Study Period.

The overwhelming majority of firms in all categories (except Native American firms) bid between 1 and 10 times with Montgomery County and on other public contracts, but there is a marked difference between the percentage of firms that bid 1 and 10 contracts with Montgomery County and the firms that bid 1 to 10 times on other public contracts. Of all firms, 42% bid 1 to 10 times with Montgomery County and 21% bid 1 to 10 times on other public contracts. It is clear that, overall, firms bid more on non-Montgomery County public contracts, but this could be because there are more contracts to bid on with other public entities.

Table 94- Number of Bids or Proposals Submitted on Other Public Procurements (not Montgomery County) from July 1, 2007 to June 30, 2012

	Total	Non-MFD (Caucasian Males)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
None	150 37%	76 33% 51%	30 42% 20%	18 42% 12%	15 43% 10%	0 0% 0%	24 34.8% 16.0%	5 45% 3%	4 31% 3%	7 41% 5%
1-10	84 21%	44 19% 52%	12 17% 14%	15 35% 18%	6 17% 7%	0 0% 0%	12 17.4% 14.3%	2 18% 2%	1 8% 1%	6 35% 7%
11-25	39 10%	25 11% 64%	7 10% 18%	4 9% 10%	2 6% 5%	0 0% 0%	10 14.5% 25.6%	1 9% 3%	0 0% 0%	1 6% 3%
26-50	27 7%	18 8% 67%	0 0% 0%	2 5% 7%	4 11% 15%	0 0% 0%	6 8.7% 22.2%	0 0% 0%	3 23% 11%	0 0% 0%
51-100	25 6%	13 6% 52%	9 13% 36%	0 0% 0%	3 9% 12%	0 0% 0%	4 5.8% 16.0%	0 0% 0%	0 0% 0%	0 0% 0%
Over 100	61 15%	38 17% 62%	9 13% 15%	3 7% 5%	4 11% 7%	1 100% 2%	7 10.1% 11.5%	2 18% 3%	3 23% 5%	3 18% 5%
DK/NA	23 6%	15 7% 65%	4 6% 17%	1 2% 4%	1 3% 4%	0 0% 0%	6 8.7% 26.1%	1 9% 4%	2 15% 9%	0 0% 0%

When asked if the firm has performed as a prime contractor for Montgomery County, 34% of Non-MFD Caucasian Male owned firms responded yes, almost twice as much as African American owned firms and more than Asian American owned (23%), Hispanic American owned (26%), Caucasian Female owned (26.1%) and Disabled owned (27%). (see Table 95 below).

Table 95 - Whether Firm Performed as a Prime Contractor for Montgomery County since July 1, 2007

		Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base Yes	40	229	71	43	35	1	69	11	13	17
	9									
	11	79	13	10	9	1	18	3	3	3
No	8	34%	18%	23%	26%	100%	26.1%	27%	23%	18%
	29	67%	11%	8%	8%	1%	15.3%	3%	3%	3%
	%									
DK/NA	27	137	56	32	24	0	47	8	10	14
	3	60%	79%	74%	69%	0%	68.1%	73%	77%	82%
	67	50%	21%	12%	9%	0%	17.2%	3%	4%	5%
DK/NA	%									
	18	13	2	1	2	0	4	0	0	0
	4%	6%	3%	2%	6%	0%	5.8%	0%	0%	0%
		72%	11%	6%	11%	0%	22.2%	0%	0%	0%

In comparison with those firms that performed as a prime contractor for Montgomery County since July 1, 2007, there was a substantial increase in the number of respondents that said they performed as a prime contractor for other public sector (non-county) contracts. (see Table 96 below) Non-MFD firms increased from 34% to 48%; African American owned firms from 18% to more than double at 39%; Asian American firms increased from 23% to 37%; Hispanic American owned firms increased from 26% to 43% and Caucasian Women owned firms increased from 26.1% to 44.9%. Disabled owned firms went from 27% to 46%. In the Findings of this Study, we will explore what may be the possible reasons that more firms across the board are working as prime contractors for other public sector contracts than for Montgomery County contracts.

**Table 96-- Whether Firm Performed as a Prime Contractor for Other Public Sector (non-County)
Contracts since July 1, 2007**

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	182 44%	111 48%	28 39%	16 37%	15 43%	1 100%	31 44.9%	4 36%	6 46%	5 29%
No	204 50%	103 45%	40 56%	25 58%	17 49%	0 0%	35 50.7%	7 64%	7 54%	12 71%
DK/NA	23 6%	15 7%	3 4%	2 5%	3 9%	0 0%	3 4.3%	0 0%	0 0%	0 0%
		65%	13%	9%	13%	0%	13.0%	0%	0%	0%

When asked if the firm performed as a subcontractor for Montgomery County and how many times since July 1, 2007, the response is reflected in Tables 97 and 98 below:

Of the respondents that performed as subcontractors for Montgomery County since July 1, 2007, the overwhelming majority in all areas performed on between 1 and 10 contracts. African American and Disabled owned firms performed more often on between 11 and 25 contracts than any other group; Asian American and Hispanic American owned firms performed more often between 26 and 50 contracts than any other group; and Non-MFDs and Asian American owned firms performed on over 100 contracts more often than any other group on a percentage basis. (see Tables 97 and 98 below).

Table 97- Whether the Firm Performed as a Subcontractor for Montgomery County since July 1, 2007

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	102 25%	65 28%	10 14%	9 21%	11 31%	0 0%	19 27.5%	3 27%	5 38%	2 12%
No	297 73%	157 64%	59 10%	34 79%	23 66%	1 100%	47 68.1%	8 73%	8 62%	15 88%
DK	10 2%	7 3%	2 3%	0 0%	1 3%	0 0%	3 4.3%	0 0%	0 0%	0 0%
		70%	20%	0%	10%	0%	30.0%	0%	0%	0%

Table 98 – Of the firms that responded “yes” in Table 97 how often has the firm performed as a Subcontractor for Montgomery County since July 1, 2007?

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
1-10	66 65%	42 65%	7 70%	5 56%	6 55%	0 0%	12 63.2%	2 67%	5 100%	1 50%
11-25	14 14%	10 15%	3 30%	0 0%	1 9%	0 0%	2 10.5%	1 33%	0 0%	0 0%
26-50	3 3%	1 2%	0 0%	1 11%	1 9%	0 0%	0 0.0%	0 0%	0 0%	0 0%
51-100	2 2%	1 2%	0 0%	1 11%	0 0%	0 0%	0 0.0%	0 0%	0 0%	0 0%
Over 100	11 11%	6 9%	0 0%	1 11%	3 27%	0 0%	1 5.3%	0 0%	0 0%	1 50%
DK	6 6%	5 8%	0 0%	1 11%	0 0%	0 0%	4 21.1%	0 0%	0 0%	0 0%
No Response	307	164	61	34	24	1	0	8	8	15

2. Experience with Montgomery County

Interviewees were then asked a series of questions regarding their experiences in bidding on and contracting for Montgomery County. While the responses to the survey can be viewed as perceptions of interactions with Montgomery County, the pattern of responses can inform the race/gender disparities in contracting that GSPC reported elsewhere in this Report.

- a) When asked how many times since July 1, 2007, firms have regularly bid with other agencies, but not with Montgomery County the response was:

NONE

- All Firms –127 or 31%
- Non-MFD Owned Firms – 39 or 25%
- Minority Owned Firms – 46 or 30%
- Female Owned Firms – 48 or 40%
- Disabled Owned Firms - 6 or 55%

1-50 TIMES

- All Firms –171 or 42%
- Non-MFD Owned Firms – 72 or 46%
- Minority Owned Firms –63 or 42%
- Female Owned Firms – 45 or 38%
- Disabled Owned Firms - 3 or 27%

- b) When asked how long it typically takes to receive payment for the firm's services on Montgomery County Procurements, the responses in the table below demonstrate that almost half of the respondents did not know or it was not applicable. Of the 222 respondents remaining, 83% responded that payment was typically made within 60 days following submission of invoices. There was no substantial difference between the perception of all firms and the perception of MFDs regarding the time it takes for the County to make payments.

Table 99 - Amount of Time it typically takes to receive payment for services on Montgomery County Projects

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Less than 30 days	73 18%	43 19% 59%	9 13% 12%	7 16% 10%	7 20% 10%	0 0% 0%	16 23.2% 21.9%	3 27% 4%	3 23% 4%	4 24% 5%
30-60 days	111 27%	66 29% 59%	17 24% 15%	13 30% 12%	9 26% 8%	0 0% 0%	17 24.6% 15.3%	1 9% 1%	4 31% 4%	2 12% 2%
60-90 days	29 7%	21 9% 72%	2 3% 7%	3 7% 10%	2 6% 7%	0 0% 0%	3 4.3% 10.3%	1 9% 3%	0 0% 0%	2 6% 3%
90-120 days	4 1%	4 2% 100%	0 0% 0%	0 0% 0%	0 0% 0%	0 0% 0%	1 1.4% 25.0%	0 0% 0%	0 0% 0%	0 0% 0%
Over 120 days	5 1%	4 2% 80%	0 0% 0%	1 2% 20%	0 0% 0%	0 0% 0%	2 2.9% 40.0%	0 0% 0%	0 0% 0%	0 0% 0%
DK/NA	187 46%	91 40% 49%	43 61% 23%	19 44% 10%	17 49% 9%	1 100% 1%	30 43.5% 16.0%	6 55% 3%	6 46% 3%	14 59% 5%

- c) When asked about the quality of interaction with Montgomery County on contract opportunities, of all respondents, Caucasian Women and Non-MFD owned firms were the most satisfied with their interactions, and African American, Hispanic, and Disabled owned firms were the least satisfied.

Table 100 - How would you rate the quality of interaction with Montgomery County on contract opportunities?

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Extremely Satisfied	57 14%	36 16% 63%	7 10% 12%	6 14% 11%	7 20% 12%	0 0% 0%	12 17.4% 21.1%	4 36% 7%	0 0% 0%	1 6% 2%
Satisfied	65 16%	43 19% 66%	8 11% 12%	6 14% 9%	4 11% 6%	0 0% 0%	13 18.8% 20.0%	0 0% 0%	1 8% 2%	3 18% 5%
Somewhat Satisfied	51 12%	27 12% 53%	10 14% 20%	5 12% 10%	2 6% 4%	0 0% 0%	6 8.7% 11.8%	0 0% 0%	4 31% 8%	3 18% 6%

Neutral	64 16%	39 17% 61%	10 14% 16%	6 14% 9%	7 20% 11%	0 0% 0%	11 15.9% 17.2%	1 9% 2%	1 8% 2%	1 6% 2%
Somewhat Dissatisfied	35 9%	21 9% 60%	5 7% 14%	2 5% 6%	2 6% 6%	1 100% 3%	4 5.8% 11.4%	0 0% 0%	0 0% 0%	4 24% 11%
Dissatisfied	24 6%	12 5% 50%	7 10% 29%	3 7% 13%	2 6% 8%	0 0% 0%	5 7.2% 20.8%	1 9% 4%	0 0% 0%	0 0% 0%
Extremely Dissatisfied	47 11%	24 10% 51%	6 8% 13%	5 12% 11%	6 17% 13%	0 0% 0%	10 14.5% 21.3%	2 18% 4%	3 23% 6%	3 18% 6%
DK/NA	66 16%	27 12% 41%	18 25% 27%	10 23% 15%	5 14% 8%	0 0% 0%	8 11.6% 12.1%	3 27% 5%	4 31% 6%	2 12% 3%

3. Barriers to Obtaining Work

As part of the survey, interviewees were read a list and asked if these items had posed barriers to obtaining work with Montgomery County. The following tables show the results, with a pattern that strongly demonstrates that, in every instance, except for having to compete against large companies, the substantial majority in each race/ethnicity/gender category believes that the circumstance raised was not a barrier to receiving the work. However, there are still strong differences between the perceptions of Non-MFDs and MFD firms in many of the areas, as pointed out below.

Respondents were asked to list things that may prevent companies from bidding or obtaining work on a contract. In their experience, have any of the following been a barrier to obtaining work on procurement contracts for Montgomery County?

Only 17% of all respondents believed that pre-qualification requirements were an impediment to bidding or obtaining a contracts. Non-MFD firms (12%) and Caucasian Women (13%) were below that average, while Hispanic American (29%), African American (28%), and Disabled owned firms (27%) were substantially above that average. Asian American owned firms were slightly above the average at 21%.

Table 101: Obstacles to Bidding - Pre-qualification Requirements

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	71 17%	28 12%	20 28%	9 21%	10 29%	0 0%	9 13.0%	3 27%	1 8%	7 18%
No	306 75%	189 83%	44 62%	30 70%	21 60%	1 100%	56 81.2%	7 64%	10 77%	10 65%
DK/NA	32 8%	12 5%	7 10%	4 9%	4 11%	0 0%	4 5.8%	1 9%	2 15%	2 18%
		38%	22%	13%	13%	0%	12.5%	3%	6%	9%

Only an average of 11% of all respondents believed that performance bond requirements were a barrier to bidding or obtaining contracts. Non-MFD firms (7%) and Caucasian Women (8.7%) again below that average, while Hispanic American (20%), African American (18%), and Disabled owned firms (27%) were substantially above that average. Again, Asian American owned firms were just above the average at 21%.

Table 102: Obstacles to Bidding - Performance bond requirements

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	44 11%	16 7%	13 18%	5 12%	7 20%	0 0%	6 8.7%	3 27%	1 8%	1 12%
No	328 80%	201 88%	49 69%	33 77%	24 69%	1 100%	59 85.5%	7 64%	10 77%	10 59%
DK/NA	37 9%	12 5%	9 13%	5 12%	4 11%	0 0%	4 5.8%	1 9%	2 15%	2 29%
		32%	24%	14%	11%	0%	10.8%	3%	5%	14%

12% of all respondents believed that bid bond requirements were a barrier to bidding or obtaining contracts. Non-MFD firms (10%) and Caucasian Women (7.2%) show a pattern of being below the average, this time with Asian American firms falling below the average as well. Hispanic American (26%), African American (17%), and Disabled owned firms (27%).

Table 103: Obstacles to Bidding -Bid bond requirements

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	51 12%	22 10%	12 17%	4 9%	9 26%	0 0%	5 7.2%	3 27%	2 15%	2 12%
No	322 79%	195 85%	50 70%	34 79%	23 66%	1 100%	60 87.0%	7 64%	9 69%	10 59%
DK/NA	36 9%	12 5%	9 13%	5 12%	3 9%	0 0%	4 5.8%	1 9%	2 15%	5 29%
		33%	25%	14%	8%	0%	11.1%	3%	6%	14%

A low average of 10% of respondents thought that financing was a potential block to bidding or obtaining contracts and the pattern continues with Non-MFD firms at 4% below the average and Caucasian Women and Asian American owned firms at 7.2% and 7% below the average respectively. Hispanic American (29%), African American (25%), and Disabled owned firms (18%).

Table 104: Obstacles to Bidding -Financing

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	42 10%	9 4%	18 25%	3 7%	10 29%	0 0%	5 7.2%	2 18%	1 8%	1 6%
No	338 83%	212 93%	43 63%	35 81%	22 63%	1 100%	63 91.3%	8 73%	10 77%	12 76%
DK/NA	29 7%	8 3%	8 11%	5 12%	3 9%	0 0%	1 1.4%	1 9%	2 15%	3 18%
		28%	28%	17%	10%	0%	3.4%	3%	7%	10%

There is a low average of firms, at 14%, that believe that lack of experience has kept them from bidding or getting contracts. Only Non-MFD firms were below the average, with all other categories above the average, led by Hispanic American (29%), and Asian American (23%) owned firms.

Table 109: Lack of experience

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	58 14%	23 10%	12 17%	10 23%	10 29%	0 0%	10 14.5%	2 18%	2 15%	1 6%
No	322 79%	197 86%	52 73%	29 67%	22 63%	1 100%	57 82.6%	7 64%	8 62%	13 76%
DK/NA	29 7%	9 4%	7 10%	4 9%	3 9%	0 0%	2 2.9%	2 18%	3 23%	3 18%
		61% 31%	16% 24%	9% 14%	7% 10%	0% 0%	17.7% 6.9%	2% 7%	2% 10%	4% 10%

Only Non-MFD firms were below the average of 13% in believing that a lack of personnel could interfere with bidding or obtaining contracts. The largest average is 27% by Disabled owned firms, followed by Hispanic American owned firms at 20%.

Table 110: Lack of personnel

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	53 13%	25 11%	10 14%	6 14%	7 20%	0 0%	10 14.5%	3 27%	2 15%	3 18%
No	327 80%	196 86%	54 76%	33 77%	24 69%	1 100%	57 82.6%	6 55%	8 62%	11 65%
DK/NA	29 7%	8 3%	7 10%	4 9%	4 11%	0 0%	2 2.9%	2 18%	3 23%	3 18%
		60% 28%	17% 24%	10% 14%	7% 14%	0% 0%	17.4% 6.9%	2% 7%	2% 10%	3% 10%

Again, there continue to be low percentages of firms across all categories that believe that contracts being too large impede their ability to bid or receive contracts. However, Hispanic American owned firms almost doubled the 16% average, in that 31% believe that large contracts are an impediment.

Table 111: Contract too large

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	66 16%	31 14% 47%	13 18% 20%	8 19% 12%	11 31% 17%	0 0% 0%	11 15.9% 16.7%	1 9% 2%	2 15% 3%	1 6% 2%
No	314 77%	190 83% 61%	49 69% 16%	31 72% 10%	22 63% 7%	1 100% 0%	56 81.2% 17.8%	8 73% 3%	8 62% 3%	13 76% 4%
DK/NA	29 7%	8 3% 28%	9 13% 31%	4 9% 14%	2 6% 7%	0 0% 0%	2 2.9% 6.9%	2 18% 7%	3 23% 10%	3 18% 10%

There are a larger percentage of Hispanic American (37%) and African American (24%) firms that believe that contracts may be too expensive to bid, which could be a barrier to bidding and receiving the contracts. The average of firms was 18%, with all other categories being near or below that average.

Table 112: Contract too expensive to bid

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	74 18%	31 14% 42%	17 24% 23%	8 19% 11%	13 37% 18%	0 0% 0%	12 17.4% 16.2%	2 18% 3%	2 15% 3%	3 18% 4%
No	308 75%	190 83% 62%	47 66% 15%	31 72% 10%	20 57% 6%	1 100% 0%	55 79.7% 17.9%	7 64% 2%	8 62% 3%	11 65% 4%
DK/NA	27 7%	8 3% 30%	7 10% 26%	4 9% 15%	2 6% 7%	0 0% 0%	2 2.9% 7.4%	2 18% 7%	3 23% 11%	3 18% 11%

Informal networks averaged 20% by firms as a possible impediment to bidding or obtaining contracts. Hispanic American, African American, Caucasian Women, and Asian American firms all exceeded this average in their beliefs. Only Non-MFD firms and Disabled firms fell below the average.

Table 113: Informal networks

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	80 20%	37 16%	18 25%	10 23%	10 29%	0 0%	18 26.1%	2 18%	2 15%	3 18%
No	294 72%	180 79%	46 65%	27 63%	21 60%	1 100%	48 69.6%	7 64%	8 62%	11 65%
DK/NA	35 9%	12 5%	7 10%	6 14%	4 11%	0 0%	3 4.3%	2 18%	3 23%	3 18%
		34%	20%	17%	11%	0%	8.6%	6%	9%	9%

Of all respondents, 25% believe that the selection process could be a barrier to bidding and obtaining contracts. Non-MFD firms (22%) and Asian American owned firms (23%) were the only two groups that fell below the average. Hispanic American, African American, Caucasian Women, and Disabled owned firms all exceed the average.

Table 114: Selection process

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	102 25%	50 22%	21 30%	10 23%	12 34%	0 0%	20 29.0%	3 27%	3 23%	6 35%
No	268 66%	167 73%	41 58%	29 67%	18 51%	1 100%	45 65.2%	6 55%	5 38%	7 41%
DK/NA	39 10%	12 5%	9 13%	4 9%	5 14%	0 0%	4 5.8%	2 18%	5 38%	4 24%
		31%	23%	10%	13%	0%	10.3%	5%	13%	10%

In the case of competing with large firms, the survey shows that 40% of all firms believe that competing with large firms is a barrier to obtaining contracts with Montgomery County. Hispanic American, African American and Asian American firms all exceed the average. With a 40% average across all firms, this may suggest that Montgomery County should look for more opportunities for smaller firms to participate as subcontractors.

Table 115: Competing with large companies

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted	409	229	71	43	35	1	69	11	13	17
Base										
Yes	162 40%	74 32% 46%	40 56% 25%	19 44% 12%	18 51% 11%	0 0% 0%	26 37.7% 16.0%	2 18% 1%	4 31% 2%	7 41% 4%
No	219 54%	146 64% 67%	24 34% 11%	21 49% 10%	14 40% 6%	1 100% 0%	39 56.5% 17.8%	7 64% 3%	6 46% 3%	7 41% 3%
DK/NA	28 7%	9 4% 32%	7 10% 25%	3 7% 11%	3 9% 11%	0 0% 0%	4 5.8% 14.3%	2 18% 7%	3 23% 11%	3 18% 11%

4. Informal Networks

Interviewees were then read four (4) statements and asked whether they agreed or disagreed. The statements pertained to the existence of informal networks in Montgomery County contracting. The following tables show the results. Of the 409 respondents, 178 (44%) across all categories agree or strongly agree that an informal network of primes and subcontractors does exist in Montgomery County contracting. African American owned firms responded substantially higher than the average, as did Caucasian Women, and Hispanic American owned firms.

Table 116 - There is an informal network of prime and subcontractors in Montgomery County.

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Strongly Agree	73 18%	29 13%	24 34%	7 16%	7 20%	0 0%	13 18.8%	1 9%	2 15%	4 24%
Agree	105 26%	58 25%	18 25%	11 26%	10 29%	0 0%	16 23.2%	5 45%	2 15%	6 35%
Neither	119 29%	77 34%	15 21%	12 28%	6 17%	0 0%	24 34.8%	1 9%	6 46%	3 18%
Disagree	46 11%	24 10%	7 10%	7 16%	4 11%	0 0%	7 10.1%	1 9%	1 8%	3 18%
Strongly Disagree	12 3%	8 3%	1 1%	1 2%	1 3%	1 100%	2 2.9%	0 0%	0 0%	0 0%
DK	54 13%	33 14%	6 8%	5 12%	7 20%	0 0%	7 10.1%	3 27%	2 15%	1 6%

When asked if exclusion from this network interfered with their firm's ability to obtain contracts, 108 respondents (26%) agreed or strongly agreed. However, there was a vast difference among the various groups' responses. Whereas 42% of African American and 40% of Asian American owned firms said that the informal network interfered with their firm's ability to obtain contracts, only 9% of Disabled owned and 20% of Non-MFD owned businesses agreed.

Table 117 - Exclusion from this network has kept my company from bidding or has interfered with our ability to contract in the public (government) or private sector.

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Strongly Agree	42 10%	18 8%	13 18%	3 7%	5 14%	0 0%	9 13.0%	0 0%	1 8%	2 12%
Agree	66 16%	28 12%	17 24%	14 33%	3 9%	0 0%	9 13.0%	1 9%	2 15%	2 12%
Neither	111 27%	68 30%	18 25%	9 21%	8 23%	0 0%	23 33.3%	1 9%	3 23%	5 29%
Disagree	96 23%	62 27%	13 18%	7 16%	8 23%	1 100%	14 20.3%	4 36%	2 15%	3 18%
Strongly Disagree	41 10%	28 12%	4 6%	1 2%	3 9%	0 0%	8 11.6%	2 18%	2 15%	3 18%
DK	53 13%	25 11%	6 8%	9 21%	8 23%	0 0%	6 8.7%	3 27%	3 23%	2 12%
		47%	11%	17%	15%	0%	11.3%	6%	6%	4%

One hundred twenty-seven (127) respondents or 31% agreed or strongly agreed that, although exclusion from this informal network adversely affects a majority of small businesses, the adverse impact is probably felt the greatest among women-, disabled, and minority owned businesses. Only 23% disagreed or strongly disagreed, and the remaining respondents were neutral or did not know. All categories exceeded the average except Non-MFDs and Caucasian Women. African American owned firms responded affirmatively at 59% versus Non-MFDs at only 19%.

Table 118 - Although exclusion from this informal network adversely affects a majority of small businesses, the adverse impact is probably felt the greatest among women-, disabled-, and minority owned businesses.

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Strongly Agree	59 14%	16 7%	22 31%	8 19%	7 20%	0 0%	10 14.5%	2 18%	2 15%	4 24%
Agree	68 17%	27 12%	20 28%	10 23%	8 23%	1 100%	9 13.0%	2 18%	1 8%	1 6%
Neither	126 31%	87 38%	13 18%	10 23%	8 23%	0 0%	27 39.1%	3 27%	2 15%	6 35%
Disagree	73 18%	49 21%	8 11%	7 16%	5 14%	0 0%	13 18.8%	0 0%	3 23%	1 6%
Strongly Disagree	22 5%	14 6%	2 3%	1 2%	1 3%	0 0%	3 4.3%	0 0%	2 15%	2 12%
DK	61 15%	36 16%	6 8%	7 16%	6 17%	0 0%	7 10.1%	4 36%	3 23%	3 18%
		59%	10%	11%	10%	0%	11.5%	7%	5%	5%

One hundred thirty-three (133) or 33% of total respondents felt that double standards in qualifications and performance make it more difficult for minority, women, and Disabled owned businesses to win bids or contracts. Only 19% of Non-MFDs agreed, compared to 52% of African American, 47% of Asian American, and 57% of Hispanic American owned firms.

Table 119 - Double standards in qualification and performance make it more difficult for minority, women, and Disabled owned businesses to win bids or contracts.

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Strongly Agree	46 11%	9 4%	17 24%	8 19%	8 23%	0 0%	6 8.7%	1 9%	1 8%	3 18%
Agree	87 21%	34 15%	20 28%	12 28%	12 34%	1 100%	16 23.2%	2 18%	3 23%	5 29%
Neither	109 27%	76 33%	14 20%	6 14%	6 17%	0 0%	20 29.0%	5 45%	2 15%	5 29%
Disagree	88 22%	58 25%	12 17%	9 21%	4 11%	0 0%	17 24.6%	0 0%	2 15%	3 18%
Strongly Disagree	29 7%	20 9%	2 3%	2 5%	2 6%	0 0%	2 2.9%	0 0%	2 15%	1 6%
DK	50 12%	32 14%	6 8%	6 14%	3 9%	0 0%	8 11.6%	3 27%	3 23%	0 0%

5. Disparate Treatment or Perception of MFD Firms

Surprisingly, of all respondents, 144 or 35% agreed or strongly agreed that sometimes a prime contractor will include a minority, women, or disabled subcontractor on a bid to meet the “good faith effort” requirement, then drop the company as a subcontractor after being awarded the contract by Montgomery County.

Table 120- Sometimes a prime contractor will include a Minority, Women, or Disabled Subcontractor to Meet the "Good Faith Effort" requirement, then drop the company as a Subcontractor after Winning the Award.

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Strongly Agree	53 13%	14 6%	20 28%	5 12%	8 23%	0 0%	6 8.7%	0 0%	1 8%	5 29%
Agree	91 22%	45 20%	16 23%	13 30%	12 34%	1 100%	17 24.6%	4 36%	2 15%	2 12%
Neither	123 30%	78 34%	16 23%	9 21%	10 29%	0 0%	20 29.0%	2 18%	4 31%	6 35%
Disagree	62 15%	42 18%	9 13%	7 16%	0 0%	0 0%	13 18.8%	1 9%	3 23%	1 6%
Strongly Disagree	10 2%	7 3%	1 1%	2 5%	0 0%	0 0%	1 1.4%	0 0%	0 0%	0 0%
DK	70 17%	43 19%	9 13%	7 16%	5 14%	0 0%	12 17.4%	4 36%	3 23%	3 18%

In that same vein, 163 or 40% of all respondents believe that some Non-Minority (male) prime contractors change their bidding procedures when they are not required to hire minority, women, and/or Disabled owned businesses.

Table 121- Some Non-Minority (male) prime contractors change their bidding procedures when they are not required to hire minority, women, and/or Disabled owned businesses.

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Strongly Agree	46 11%	11 5%	19 27%	5 12%	4 11%	0 0%	6 8.7%	2 18%	2 15%	5 29%
Agree	117 29%	60 26%	23 32%	14 33%	13 37%	1 100%	22 31.9%	3 27%	1 8%	5 29%
Neither	109 27%	75 33%	14 20%	6 14%	7 20%	0 0%	21 30.4%	2 18%	3 23%	4 24%
Disagree	55 13%	35 15%	6 8%	7 16%	4 11%	0 0%	7 10.1%	0 0%	2 15%	1 6%
Strongly Disagree	14 3%	8 3%	1 1%	2 5%	2 6%	0 0%	1 1.4%	0 0%	1 8%	0 0%
DK	68 17%	40 17%	8 11%	9 21%	5 14%	0 0%	12 17.4%	4 36%	4 31%	2 12%

Of all 409 respondents, 159 or 39% perceived that, in general, minority, women, and Disabled owned businesses tend to be viewed by the general public as less competent than Non-MFD businesses. African American owned firms perceive this at 62%, Asian American owned firms at 44%, Hispanic American owned firms at 51%, Caucasian Women owned firms at 40.5%, and Disabled owned firms at 54%, compared to only 29% of Non-MFD firms.

Table 122-In general, minority, women, and Disabled owned businesses tend to be viewed by the general public as less competent than Non-MFD businesses.

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Strongly Agree	54 13%	19 8%	21 30%	4 9%	6 17%	0 0%	12 17.4%	3 27%	2 15%	2 12%
Agree	105 26%	48 21%	23 32%	15 35%	12 34%	1 100%	16 23.2%	3 27%	1 8%	5 29%
Neither	85 21%	58 25%	9 13%	6 14%	6 17%	0 0%	12 17.4%	2 18%	2 15%	4 24%
Disagree	102 25%	70 31%	10 14%	12 28%	5 14%	0 0%	20 29.0%	0 0%	2 15%	3 18%
Strongly Disagree	26 6%	15 7%	2 3%	4 9%	0 0%	0 0%	6 8.7%	0 0%	3 23%	2 12%
DK	37 9%	19 8%	6 8%	2 5%	6 17%	0 0%	3 4.3%	3 27%	3 23%	1 6%
		51%	16%	5%	16%	0%	8.1%	8%	8%	3%

Finally, it was asked if firms had experienced any discriminatory behavior from Montgomery County since 2007. The table below shows that 88% on average responded no and 7% responded yes, while 7% of Non-MFD and African American owned firms responded affirmatively. Hispanic American owned firms responded yes at a rate of 17% and Caucasian Women at 11.6%. These are significant responses and will be revisited in the Findings of this Study which look at the evidence as a whole.

Table 123- Has Your Firm experienced any Discriminatory Behavior from Montgomery County since 2007?

	Total	Non-MFD (Caucasian Male)	African American	Asian American	Hispanic American	American Indian or Alaska Native	Caucasian Women	Disabled	No Resp	Other
Unweighted Base	409	229	71	43	35	1	69	11	13	17
Yes	29 7%	17 7%	5 7%	1 2%	6 17%	0 0%	8 11.6%	0 0%	0 0%	0 0%
No	360 88%	207 90%	57 80%	41 95%	28 80%	1 100%	60 87.0%	10 91%	11 85%	15 88%
DK	20 5%	5 2%	9 13%	1 2%	1 3%	0 0%	1 1.4%	1 9%	2 15%	2 12%
		58%	16%	11%	8%	0%	16.7%	3%	3%	4%
		25%	45%	5%	5%	0%	5.0%	5%	10%	10%

The responses to the telephone survey of vendors will allow GSPC to complete the findings from the statistical evidence and explain in more depth how both empirical data and anecdotal evidence best tell the story of the impact Montgomery County's procurement process has on the opportunities for MFD firms to contract with the County. These findings will be more explicitly explained in the Findings and Recommendations of this Study. All of the tabulations of the questions asked in the telephone survey.

C. Public Hearings

Two (2) public hearings were held on October 2nd in the Hearing Room of the County Council. As part of the outreach process in support of the Study, GSPC developed a database of diverse suppliers, prime vendors and community contacts provided by Montgomery County. Those lists numbered 1,684 and were contacted by email blasts several times prior to the hearing. Each participant was provided the opportunity to submit a RSVP online via the Griffin/Strong dedicated website or directly to the Winston/Terrell Group. A total of fourteen (14) firms provided RSVPs for the meetings.

The hearings were held at 9AM and 5PM. Participants were provided an overview of the proceedings and were encouraged to submit their testimony to those gathered for the public hearings. The hearings were recorded, transcribed and made part of the overall Anecdotal Evidence portion of the Study. At the beginning of each hearing, the moderator, Robin Winston of the Winston Terrell Group, gave an introduction to the Study for Montgomery County

conducted by Griffin & Strong, P.C. and encouraged firms to provide authentic representations of their experiences doing business with the County, both negative and positive. Participants were apprised of the fact that their statements would be entered into the public record. The firms addressed a number of different topics and points of concern in doing business with Montgomery County.

Three (3) firms participated in the 9am hearing. They were composed of a Disabled owned construction commissioning firm, a Minority Female owned construction support firm, and a Minority owned human resource consulting firm. One point of concern was a lack of response to requests for information from County officials. The business owners who participated in the hearing believe that having access to local County procurement officials would be beneficial to business development and building partnerships through networking. The owner of the construction commissioning firm stated that after asking for a debriefing on an unsuccessful proposal, there was no response:

It's just like dead silence. There's a blanket dropped down and there's no response at all. I gave them my business card...that's as far as it goes. In my opinion it probably goes into a round recycling container underneath their desk.” (PM01).¹⁷¹

The owner of the construction support firm stated that she sent information in order to receive more in-depth information on the proposal and “no one is making things clear for us to even submit a proposal bid. It always goes into a voicemail or leave a message or send an e-mail and someone will respond back.” (PM02) Similarly, the human resource consulting firm owner stated that:

“Some contracting officers don't get back to you in a timely fashion for debriefings, and debriefings are very, very important to small businesses. If we lose a contract, we'd like to know why.” (PM03)

Another area of concern was with the procurement procedures in Montgomery County. The owner of the human resources firm believes that the procurement process, particularly relating to domicile and procurement promulgation, needs to be restructured. He stated he does “have some concerns about the requirement” to have 51% of staff in the County, which prevents his “small

¹⁷¹ This citation refers to Public Meeting (or Hearing) 1. Anecdotal citations will be designate throughout as follows: Public Hearing (PM00), Focus Group (FG00), Anecdotal Interview (AI00). Though the focus group was not recorded, FG refers to a verbatim quote from the moderator's notes.

office” from competing for contracts. (PM03) He also stated that he would like to see the Office of Procurement “(issue) a forecast of procurements to come.” He notes that this is particularly helpful for small businesses “because it enables us to plan, prepare, and work on RFP’s.” (PM03) However, this same business owner commended the County procurement staff for being “extremely helpful in terms of providing information.” (PM03)

The public hearing held at 5pm hosted two (2) firms, one Minority owned technology firm and a Minority owned construction and facilities management firm. The topics addressed at this meeting, as participants at both hearings were encouraged to speak freely, were somewhat different than the first, but equally revealing. Similar concerns regarding procurement procedures were addressed. The “51% requirement” came up several times. Participants indicated that the requirement by Montgomery County that 51% of the work being done on the contract as self-performing is onerous and a deterrent to participation by small, Minority/Female/Disabled owned firms. They remarked that the size of the contracts, combined with bundling of major contracts, make it virtually impossible for diverse suppliers to meet the requirements. One business owner stated a belief that “nobody in the County” can meet all the *self-performing requirements*.” (PM05)

It was recommended that the County immediately adopt anti-bundling provisions so that Minority/Female/Disabled firms could effectively compete. One participant stated that “stripping away large project sets...taking a \$100 million capital project and debundling it” would be incredibly helpful. (PM05) Participants in each of the components also recommended that the County adopt specific goals for the utilization of Minority/Female/Disabled owned businesses. One participant stated emphatically that the County could “require, not have a goal, but require, subcontracting percentages in contracts. (PM05)

The lack of support for the Minority owned Business Program by County officials was also an important issue that came up during the hearing. The owner of the technology firm stated that the priority for support from County staff should include the actual recognition of the effort to support Minority/Female/Disabled owners. He stated that the reason for this is that, though Montgomery County makes an effort to reach out to minorities, “some of the people who are actually performing the duties may not understand what the minorities have to go through and what it means for them to be recognized for the work that’s been done.” (PM04) The owner further stated that Montgomery County officials should work to reduce the impediments to diverse suppliers who are constantly questioned on their ability to perform. “By being a prime

minority,” he said, “there’s always questions about the capability...you had to go through different hurdles to prove the fact that you are capable of doing this (work).” (PM04)

The owner of the construction management firm stated that one of the chief impediments to the success of his business is the “two-part selection” process, which he perceives as an aspect of the “good old boy” network. In his testimony, he stated: that “they (Montgomery County officials) say, okay first we’re going to look at your technical requirements and then whoever meets that, then those folks are going to get to bid on it.” (PM05) However, he pointed out, small firms cannot outbid on technical requirements through the point system since larger firms have a points advantage because they’ve been in business longer and have more resources. Edging small businesses out at that point in the process, he believes, only supports the same firms getting business again and again.

The Local Small Business Reserve Program, however, received high praise at the second hearing. The owner of the technology firm commended it, stating that the *“laws have been written under the local small reserve program that allow this to happen, and under that program I was able to obtain this opportunity,” citing the inception of the LSBR Program as the beginning of his opportunities with the County.*” (PM05) The other participant in the public hearing voiced his support for the Local Small Business Reserve program, calling it a “lifesaver” that has helped his firm “grow capacity, hire people, pay more taxes.” (PM06)

D. Focus Group

The Focus Group was held in the Offices of the County Council in Montgomery County at noon on October 2, 2013. The GSPC team worked with Montgomery County officials to develop a list of Minority, Female and Disabled (MFD) and non-MFD firms for use in our outreach initiatives. In addition, GSPC developed a list of relevant media outlets in the Washington, DC, Metropolitan area, along with key constituency organizations representing key demographic groups, as part of our outreach. Each list had duplicates removed, email addresses confirmed and the data retained. We used a series of five (5) emails to the complete database as invitations to the two (2) public meetings and one (1) focus group. In addition, our team responded to several direct email requests for additional information about each meeting. The total invited via those series of emails was 1,684.

Prior to the meetings, seven (7) firms contacted our team to inform us that they intended to attend the Focus Group. Three (3) firms were actually in attendance. They represented firms involved

in landscape architecture and engineering, accounting, and moving and transfer. Robin Winston and Joyce Walton of the Winston/Terrell Group conducted the focus group and Rodney Strong and Imani Strong of Griffin & Strong, P.C. were also in attendance. At the behest of those individuals attending as participants, it was decided not to record the meeting.

Attendees of the Focus Group included two (2) Minority owned and one (1) Female owned business. The two (2) Minority owned firms were involved in the staffing and moving/transfer business and the one (1) Female owned firm was a landscape engineering company. A wide array of topics, from the financial opportunities available to their businesses to their specific experiences with Montgomery County, were addressed. With regard to their financial backgrounds, the business owners present stated that they did not have access to start-up capital from an external source for their businesses. Two firms indicated that they used home equity to provide additional capital. (FGO1 and FGO2)¹⁷² None of the firms began their businesses with bank loans. They remarked that most small businesses do not have access to traditional bank loans. Similarly, none of the firms received government loans as startups or funding from venture capital firms to either start or to expand. Obtaining insurance was not a problem for anyone present.

When asked if there were any specific barriers they faced as business owners with the processes and procedures of the County, one of the business owners expressed that they did not have barriers that prevented them from competing on procurement opportunities (FGO3), while the others did provide information on the impediments that they faced when starting and managing their business. (FGO4) A majority of the firms in attendance expressed their concern that prime vendors they had encountered demonstrated disdain for using diverse suppliers. (FGO5 and FGO6) A participant commented that women owned firms are not regarded by Montgomery County procurement staff as “diverse”. That prevents them from being able to compete for local proposals. One participant stated that it was active in government relations and had participated in lobbying activities to gain support of supplier diversity initiatives at the state and local levels in an effort to alleviate the issues described. (FGO7)

The landscape engineering firm owner stated a belief that disparities exist in procurement that are not based upon ethnicity or race, but upon gender. One firm in particular pointed out the continued disparity for women owned firms. (FGO8) Each owner remarked that the requirements

to provide detailed financial information were onerous (FG09, FG10 and FG11) and one stated that they refuse to provide financial information because they believe it could lead to identity theft. (FG12) Each participant has worked with other government jurisdictions including College Park, City of Baltimore, school corporations and local governments on procurement activities that they claim are more advantageous to diverse suppliers. The participants stated that the County does not provide considerable outreach to encourage diverse firms to submit on procurement opportunities. (FG13, FG14 and FG15) Most outreach occurs on small projects and, when conducted, the firms are not informed whether their submittal was competitive unless they have been accepted for work. (FG16)

In particular, the timeliness of responses from the County raised considerable concern, with one participant stating that they had decided to stop responding to bid opportunities because they never receive feedback on their proposal submittals. (FG 17) One stated that they were informed about their selection five months after submitting the proposal. In some cases (WSSC and Montgomery County Schools), participants said they waited for six months before receiving a response. (FG18) As a result of participating in procurement activities for years but not being overly successful in those activities, many commented that the selection and procurement process is still wedded to “the good old’ boy” systems and that “it is all about relationships”. (FG19, FG20 and FG21)

Everyone present mentioned that their ability to compete would be enhanced if officials in Montgomery County would review, evaluate, discuss selection criteria and provide additional recommendations on how to enhance future submittals at a post-selection review. Each welcomed the opportunity to participate with County officials in an open and transparent debriefing after being rejected on a submittal. They mentioned that the Department of Defense, the National Park Service, Prince George’s County and the Maryland Department of Transportation allow firms to participate in those debriefings. (FG40-FG42)

The firms are already engaged without a mentor-protégée program in place, conducting their own mentoring experiences without County involvement. One vendor works with protégés on budgeting and marketing planning. (FG43)

The participants cited reasonable payment times and few real problems with pay directly from the County.

When asked if they believe that Montgomery County desires to work with a diverse business pool, two of the firms labeled Montgomery County as “not open for business” for diverse suppliers.

(FG44 and FG45) They each expressed a willingness to continue seeking work with the County because of an obligation to participate and a hope that disparity studies would not be required in the future because of changing demographics, more diverse leadership in government and increasing numbers of qualified and competent diverse suppliers.

In terms of finding new bid opportunities with the County, the participants represented themselves as proactive about checking the posts placed on the Internet about one month before the deadline. (FG28-30) However, they recommended the utilization of mandatory pre-bid meetings on contracts so that prime vendors would be visible and to offer an opportunity for diverse suppliers to network at procurement events. The business owners remarked that the growing diverse supplier base has resulted in more competition from non-local vendors. They recommended that their colleagues in the supplier category of work together to provide reports on the number of firms submitting bids on contracts, their success rate and any pattern of being rejected.

The participants in the Focus Group stated that, in spite of outreach, they had been relegated to performing small projects for the County which reflects a small percentage of their overall revenues. (FG46-48) One vendor stated that it has been selected for work on a contract but have never been contacted by the County about performing work. At this point, all work has been directed to the prime vendor. Over one hundred and eighty (180) activities have been performed under the lead contractor without the minority vendor receiving any work. The vendor recommended alternating bids on the project so that more opportunity would be provided. (FG49) That has not been done by County officials. The vendors each stated that proposal preparation required the use of an inordinate amount of time from staffers for preparation and presentation. Each remarked that they no longer simply send a Statement of Qualifications to prime vendors who are seeking diverse partners without scheduling a meeting with the partner. (FG50-52)

When asked what the County could do to better its relationships with vendors, the participants in the group recommended that the County conduct a complete payroll/expenditure analysis for each subcontractor on proposals. This would assist diverse suppliers by ensuring that the lead firms actually use the subcontractors at the level indicated in their initial submittal to the County. Each believed that it would be advantageous to have a posting of projected bids so that firms could prepare in advance when projects might be posted and bids promulgated. Moreover, the business owners suggested requiring pre-bid meetings and establishing pre-qualification requirements as part of the procurement process. The participants stated that they provided goods and services

relative to the appropriate NAICS¹⁷³ codes while other MFD firms simply bid on contracts without the requisite skills to accomplish the goals of the posted RFP. They believed this diminished the competitive edge for qualified MFDs on procurement activities. Each recommended that bids be segmented into smaller segments so that diverse suppliers could perform the contract and build their particular portfolios. Other impediments discussed were contracts that provided 95% funding to the prime and only 5% to subcontractors, the need to provide proof and support of gender, information requiring documentation of the initial funding of the business, and documentation of the source of those funds. (FG22-FG39)

E. E-mail Comments

In order to gather the input of numerous diverse suppliers, the GSPC team worked with Montgomery County officials to develop a list of Minority, Female and Disabled (MFD) and non-MFD firms for use in our outreach initiatives. Each list had duplicates removed, email addresses confirmed, and the data retained.

We used a series of fifteen (15) emails to the complete database as part of our public outreach initiative. Participants were encouraged to send email responses to Winston/Terrell and also to send comments to a website maintained by GSPC. In addition, our team responded to several direct email requests for the best ways to ensure that participants could make their opinions known throughout the process. The total invited via those series of emails was the same universe as those invited to the public meetings (1,684 individuals).

Thirty-one (31) firms provided comments about the procurement process, the ability to access capital and other associated topics relative to the Study. Specifically, fifteen (15) Minority owned firms responded, fifteen (15) Women owned firms responded and one (1) Disabled owned firm responded.

1. “Good Old’ Boy System” Prevalent

A Minority owned technology firm reported that it had made several inquiries about the status of its contract and enlisted the support of others. In order to obtain the contract, the firm was forced to file numerous complaints and a lawsuit. County officials later cancelled the contract.

¹⁷³ NAICS refers to the North American Industry Classification System

Several firms recommended that the County establish more networking opportunities via the pre-bid process. They believe that will better enable them to identify potential teaming partners and to highlight their business capacity to County officials and private sector firms.

A Minority owned construction firm recommended that accountability measures be established to ensure the fair treatment of minority owned firms by local government.

Two Minority owned firms categorized the present system as being one in which being “connected” reigns supreme and one in which “connected” firms win time and time again.

A Female owned consulting firm stated that the procurement process benefits large firms and that many companies do not seek the involvement and support of small firms.

2. Not Following Existing Procurement Procedures

A Minority owned technology support firm commented that firms with present government contracts are ignored on bidding opportunities. It further stated that non-competitive contracts are awarded to avoid competitive bid process, thus resulting in less business for diverse suppliers.

Several respondents stressed the need to ensure the credibility of MFD firms registered with the County and to require those firms to participate in procurement activities within their particular designated category. A Minority owned construction firm thought that the quality of diverse suppliers serves to create a negative image for supplier diversity efforts.

A Female owned company stated that the process to become certified is cumbersome. It further stated that County officials establish bid specifics (i.e. manufacturer warranties) resulting in a monopoly to those firms that are designated suppliers of that particular product.

One Minority owned company that conducts survey research remarked that performance bonding is an impediment to small and minority owned firms. The long-term use of retainage prohibits small firms from having the cash flow necessary to produce tangible results.

A Minority owned construction firm commented that it was successful in obtaining a County contract but then procurement officials changed the Scope of Work, delayed promulgating the contract and were rude and unprofessional during his follow-up calls. His firm was awarded the contract months ago, but has yet to be awarded any work.

A Female owned management consulting firm reported having encountered a considerable delay from being awarded a contract to receiving a signed contract. This resulted in the firm carrying insurance for the "down" period (waiting until contract approved and in force).

One Female owned Disabled firm recommended that contracts be reduced in size. She believes that the procurements are too large in scope to provide opportunities for small firms.

Several firms recommended that procurement opportunities be disseminated directly to diverse suppliers.

A Minority owned traffic engineering firm indicated that it does not have confidence in the process because of the use of diverse suppliers as "fronts" (businesses that are certified but do not perform the work).

3. No Feedback on Submittals and No Response on Complaints

A Minority owned technology firm that filed a complaint with County officials about the bidding process procedures stated that it never received a response.

Several firms complained that they are solicited for procurement opportunities, submit proposals and once a decision is made, are not provided ample opportunity to review their submittals to determine how to strengthen them in the future. They complained about a lack of response to calls with requests for clarification and/or additional information.

A Minority owned management consulting firm noted that they have no interaction with procurement staff. Another Female owned firm recommended pre-bid meetings and post-award meetings with selected firms.

4. Need to Establish Attainable Spending Goals

Several firms recommended that mandatory spending goals be established so that diverse suppliers could participate in procurement opportunities.

A Minority owned firm stated that without stated goals, there is no commitment to supplier diversity. It further recommended that the utilization of diverse suppliers become part of the performance review for local appointed officials charged with procurement.

A Female owned real estate management consulting firm touted the establishment of a point preference for diverse suppliers.

Several firms recommended that point preferences for the use of local firms and a local certification process would help expand the supplier diversity base. The Female owned firm stated that not all firms can meet the state-level DBE certification requirements. It stated that if such preferences exist, they have not been effectively used by procurement staff.

5. Payment Frequency

A Female owned training firm stated that it has encountered slow payments on contracts for less than \$5,000.

6. Commendations

A Minority owned parking management firm and a Female owned environmental law consulting firm commended the County for outstanding outreach service and relatively easy registration for new firms. A Minority owned management support firm commended the County for ensuring that procurement notices are timely and accessible. A Minority owned mapping firm stated that it believes that no discrimination exists in procurement activities.

F. Anecdotal Interviews

The personal interviews were conducted during the months of September, October and November 2013. The one-on-one interviews were conducted with a random sample derived from databases provided by Montgomery County. Winston/Terrell Group, the law office of Leronia Josey and GSPC mailed, emailed, telephoned or faxed confirmation letters to all firms that agreed to be interviewed. The interviews were conducted either at the firm owner's office, at a location designated by the firm owner, or over the phone if requested by the firm owner. Interviews ranged in length from 15 to 90 minutes.

1. Personal Interview Demographics

A total of four hundred and forty-four (444) calls, including re-schedules, and call backs were made in support of the program. Fifty-five (55) calls were made to the list of Minority owned firms; forty-one (41) calls were made to the list provided of Disabled owned firms; sixty (60) calls to Women owned firms; sixty-seven (67) to the vendor list; one hundred and fifty (150) to the list of suppliers provided by the County; twelve (12) from the list provided by Al Boss in DGS-OBRC; and fifty-nine (59) to the bidder's list provided as part of the Study.

Fifty-one (51) firms were interviewed. There were numerous reasons that explain the delta between the number of firms contacted and the number of firms participating in the interviews. The reasons for non-participation include:

- Wrong or bad telephone numbers; telephone numbers disconnected
- Cancellations of scheduled interviews
- Lack of interest
- Length of interview
- The fact that firms did not have contracts with Montgomery County
- Schedule conflicts with no availability for alternative scheduling
- Concern that input would not be taken seriously
- No-shows for scheduled interviews

Of the 51 representatives interviewed, the ethnic and gender breakdown is as follows:

- 17 African Americans
- 22 White Males and White Females
- 5 Disabled Persons
- 6 Asian Pacific Americans

In the normal course of business, entrepreneurs will face barriers when establishing and operating a business enterprise. Particular factors also may emerge that prevent a business from being selected for a contract or purchase order. In this section, GSPC reviews participant responses concerning barriers they face in the procurement process and factors that frequently prevented them from winning contracts or purchase orders with the County specifically or reflect a perception or experience with the business community in general.

As in the telephone survey, questions in the focus groups, public hearings and personal interviews were designed to gather business owners' experiences or perceptions about the County's procurement process and their experiences doing business with the County.

In analyzing the personal interviews, GSPC received high levels of "yes" responses to our inquiries about perceived barriers to doing business. Firms that perceived barriers complained about competing with large companies, informal network, and selection process. In terms of the biggest interference with their ability to do business with the County, several firms expressed that minority participation goals have "no teeth" and there is apparently no consequence for not meeting stated goals.

2. Need for Point Preferences

A Female owned firm stated:

“Montgomery County needs to establish a ‘minority business participation point system.’ Prince George’s County awards 10 points in evaluation if a certain certification is present.” “Montgomery County doesn’t do preference points.” (AI01)¹⁷⁴

A Disabled owned firm added;

“Goals need to be in place. Getting set asides to do the job is very important. When you’re up against larger businesses, if there are no set asides, there’s no chance to show what you can do. This is a lack of opportunity which affects all parties. We are very smart people with bright ideas and bring a lot of talent to the county and agencies.” (AI02)

3. Good Old Boy Network

The perception of a “good old boy” network was prevalent in our interviews with potential vendors. Many expressed disappointment with the process and were concerned that the situation may not be able to be remedied.

A Minority owned firm commented:

“...absolutely yes, the county favors some companies over others. Many times it’s also relationships in staying with people they’re comfortable with. The invisible barriers are quite high and hard. They don’t think MBEs or minorities can perform as well.” (AI03)

A Female owned firm further stated:

“The county government never made any attempts to encourage it to bid on their procurements, absolutely not.” She would like to see an opening up of access to decision makers. “Information is key as is knowing the decision makers.” Her company has built capacity over the last 15 years. She believes people within the bowels of government get used to dealing with people they work with and feel comfortable with. (AI04)

This perception gained some credibility when interviewers talked with Non-MFD prime vendors. A Non-MFD firm said:

Yes, the County encourages him to bid. The website is excellent and the communication is good. He receives postcards and emails from the county. He appreciates the publicizing of upcoming bids in the specific areas of interest. The owner rarely has to

deal with the County office but everyone has been nice and professional. He has no insight into the fairness of the selection process but he assumes yes, they're fair. He cannot think of much the County can do to improve the procurement and selection process. "I get the weekly updates in emails each Friday of upcoming procurement, even if they don't pertain. It's about communication and they seem to do that well." (AI05)

The interviews gleaned that the prime vendors were also culpable in the effort to limit participation by minority firms. This may reflect the attitudes already stated that when the prime vendor firms are not punished for not having MFD- owned firms as part of their project team, they have no reason to be more inclusive. This attitude was shared by many. One such instance was shared by a Minority owned firm, which observed:

"Primes will continue to do business with those they know and interact with. African Americans are usually not in those circles. There is persistent views that small and minority businesses (1) cannot succeed in scientific and technical skills areas; and (2) small and minority businesses lack resources and depth of staff to get the jobs done." (AI06)

4. Procurement Process Could Be Enhanced with Support

A question about whether or not notices were sent to County-certified businesses led to passionate and extended discussion. While nearly all business owners interviewed were certified by federal and/or state agencies, few were clear about having the recognized certification for County business procurement.

Frustration, disappointment and misunderstanding were expressed by Minority/Female/Disabled owned firms tired and angered by having to spend time, energy and resources preparing and submitting bids to the County or prime vendors and getting no feedback or winning awards. Firms indicated that they had experienced discrimination in their business dealings with the County or private sector. More than fifty percent of these respondents indicated this discrimination occurred during the bidding process.

A Minority owned firm provided this detail:

One such instance - The company owner, an African American who is part of the Small Business Reserve Program, alleges that "people are not fully exercising legislative rules to allow companies like mine to perform services." "People in procurement do not feel my compatibility to provide services, despite my federal government experience." According to the owner he is "totally prepared and totally able to bid." He submitted a proposal that was accepted. However, the Director of Procurement felt he was not qualified, labeling his firm a pass through. The owner feels like "certain male Caucasians cannot see African Americans as equal." He went to the County Executive and explained the

situation. He did not want to play “the race card” so he dropped the matter but is still concerned that he functioned at the highest levels of the FBI and the State of Maryland for 15 years in his business but is denied the opportunity to bid as a prime in Montgomery County. According to the owner, “if a minority does project management it’s considered a pass-through.” (AIo7)

A Female owned firm also observed:

“Our past performance was determined not relevant.” The company believes their company would be retaliated against were they to lodge a complaint with the County. “I just think that contracting personnel will stay away from companies who are branded as chronic complainers. The County needs to be more transparent in the process.” (AIo8)

Interview participants openly discussed the need for more direct assistance from the County to MFD owned firms.

One Minority owned firm suggested:

“On the procurement side, the County needs to find someone who understands and can structure and use the RFP to build bond capacity.” Another obstacle the general manager reports is the lack of “dedicated market outreach” to grow the business and access to and availability of capital. (AIo9)

A Female owned firm noted that:

The company would like to see a mentoring program helping with “payroll, proposal development, federal contracts and understanding state and local regulations.” The President of the company sees a need in assisting them in getting contracts and keeping them. A major limitation to gaining the business is the “inability of small business to gain access to decision makers who care about a path to how you get your services and products sold to the county.” (AI10)

5. Financial Impediments Exist

Contract Bundling is noted as a problem when the contracts are packaged into one large contract. This practice places the contract out of the reach of small business and relegates them to the status of a subcontractor. Comments on the impact of large contracts and contract bundling on small firms were noted in several interviews. The method of packaging contracts for bid may determine the capability of diverse suppliers to participate.

A Minority owned firm stated:

Of the multiple task orders, he got 2. Then, “everything went silent.” Through follow-up, he learned Montgomery County officials had “NIXED” the award, reissuing it as a larger bid. By pulling it back and bundling it, his firm could not compete. “I lost my platform.” The owner asked questions but never received “any real answers.” In this owner’s mind, the “task orders as bundled were too large” and represented “a missed opportunity” which could have helped the State, small business owner and the Small Business Reserve Program. (AI11).

G. Conclusion

The anecdotal findings revealed a perception that, overall, Montgomery County has structured a procurement system that can be effective for all groups. The impersonal mechanisms of the system work well for all groups, e.g., length of time to make payments. However, MFD firms report varying degrees of disparate treatment in more subjective areas and there is concern that Hispanic American owned firms, in particular, consistently reported discriminatory experiences both in the anecdotal interviews and the telephone surveys. When asked point blank if their firm had experienced any discriminatory behavior from Montgomery County since 2007, 17% of Hispanic American owned firms said yes, along with 11.6% of Caucasian Women owned firms.

Some of the firms interviewed recommended that a point system be established so that prime vendors are encouraged to use MFD owned firms on projects. They also recommended that efforts be made to assuage the concerns of MFD owned firms that “the Good Old Boy” system had been removed from contracting. This concern was evidenced by the perception that there are extremely limited invitations to bid for minority firms, especially for African Americans. It is perceived the “Good Old Boy” network is said to control the County contracts and allow large contracts to be awarded with insufficient MFD participation on large public projects, this was demonstrated both in the interviews and from the telephone survey.

Several firms interviewed indicated a need for more networking with County procurement staff, especially the need for more opportunities for “feedback” on submittals. It was recommended that Montgomery County make procurement projects smaller because small firms cannot compete with large firms and it is often the large firm that is their closest competitor. In many cases, the County’s contracts are reported to be too large for them or have restrictive bonding and insurance requirements.

While MFDs perceive that they are impacted by several of barriers to bidding and receiving awards, there is the perception that they are prevented from growing their businesses because of existing discrimination and retaliation by the County and the Non-Minority business community.

Additionally, there were a number of comments that indicated a strong distrust of local government, regardless of the ethnicity or gender of the interviewee. This was demonstrated by the belief that there are unclear bidding documents, restrictive specifications and lack of transparency.

There was substantive discussion about the need for an independent minority business organization to truly advocate and represent the interests of MFD owned businesses in Montgomery County. Many who participated did not have confidence that “things will change.”

Finally, the participants in the anecdotal phase of the Study requested an avenue for ensuring increased outreach and networking by procurement staff; mentoring assistance with bonding and insurance requirements; and a commitment to contract compliance to ensure that the intent and goals of the MFD procurement program are being met.

The full impact of the anecdotal evidence will be detailed more explicitly when tied together with the quantitative statistical evidence in the Findings portion of this Study.

The following table outlines the distribution of comments among interviewees related to various issues:

Table 124- Distribution of Comments from Anecdotal Interviewees¹⁷⁵

Observations	African-American	Disabled	Caucasian Woman	Caucasian Male	Asian-American	Hispanic-American	% of Participants
Good Ol' Boy Network	5	2					14%
Questionable Ethics Amongst Procurement Personnel	1	1	1	2			10%
Lack of Prime Interest in Diverse Firms	3	1	2		4		20%
Cumbersome Proposals	1	1		1	2		10%
Need Set-Asides/Point Benefits	2	2	1				10%
Lack of Opportunity to Bid as Prime	2		2			1	10%
Bonding and Financial Impediments	2			1		1	8%
Need for More Transparency		1			2		6%
Aware of "Fronts," Falsified MFD Quotes, or Failure to Comply	3		3	2	1		18%
Lack of County Desire to Hire MFD's or Outreach	6	5	4			1	31%
Unfair Assumptions about Capability	1		2				6%
Purchasing Solely Based on Price	1		1	1			6%
The County is Fair or Very Fair	1		2	6	3		24%
Ethnicity Totals	13	6	11	10	8	3	

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¹⁷⁵ Participants can be counted in more than one row as having noted multiple observations, but not in more than one column of identity. Disability was chosen over ethnicity and ethnicity over gender except in the case of white females. The identity is of the certification of the owner, not necessarily the interviewee. For purposes of analysis 51 firms were identified as having responded to a particular observation in the affirmative.