



FY21 Annual Report

Minority, Female and Disabled (MFD) Owned
Business Program



Montgomery County, MD | www.montgomerycountymd.gov/pro

Executive Summary

In FY21, the County awarded **\$200,457,253** to certified Minority, Female and Disabled Persons owned (MFD) businesses. This equates to **26.86%** of the total procurement dollars (**\$746,510,083**) that are subject to the Minority, Female and Disabled Persons (MFD) program. This stands as the highest percentage awarded to MFD businesses in the past 20 years.

The mission of the MFD Program is to assist the County’s registered vendors that hold one of the five (5) minority certifications recognized by the County, to gain access to contracting opportunities. The MFD program is focused on the purchase of goods and services or subcontracting opportunities that will provide the support of the contract. The MFD program also provides additional services in assisting all business communities with information on the procurement process and providing the resources required to do business with the County.

During FY21, the COVID-19 pandemic caused unexpected budget cuts or savings plans, which negatively impacted the County’s overall contracting and funding. Some purchasing patterns are different compared to a normal fiscal year. For example, due to the COVID-19 pandemic, some construction projects were delayed or put on hold. The County’s total MFD eligible construction services purchasing decreased by 66% in FY21 (\$43.5 million) compared to FY20 (\$131 million). However, the County maintained consistent and strong participation with minority vendors in subcontracting. “Total Dollar Subject To MFD” in FY21 (\$746,510,083) was the lowest compared to the last three (3) fiscal years. But “Total Dollars Encumbered to MFD” (\$200,457,253) and participation percentage (26.86%) in FY21 were the highest compared to the past three (3) fiscal years.

Each year the Director must use the Disparity Study and the current Fiscal Year’s utilization to determine the next Fiscal Year’s MFD goals for each group of MFD vendors. The MFD goals are broken down by four (4) procurement categories.

New MFD goals for Calendar Year (CY), 2022 are (same as in CY2021):

- Professional Services 19%
- Non-Professional Services 22%
- Goods 10%
- Construction 21%

The MFD program is designed to assist certified MFD businesses as subcontractors in gaining access to County contracting opportunities and building relationships with prime contractors. This process is done through available subcontracting opportunities, which is the main goal of the program.

The MFD Program’s main functions are:

- Procurement and MFD procurement education
- MFD compliance
- Reporting
- Customer Service
- Outreach and education
- Review solicitations for artificial barriers

Background

Within the Office of Procurement, the Division of Business Relations and Compliance compiles an annual report on the Minority¹, Female and Disabled Persons Owned Business Program (MFD) which provides information required in accordance with Section 11B-61 of the Montgomery County Code and the Montgomery County Procurement Regulations.

The MFD Program assists registered vendors that hold at least one County-recognized certification in identifying opportunities, as either prime contractors or sub-contractors, for County contracts with an estimated dollar value of \$50,000 or more.²

Minority Certifications Recognized by the County

Agency	Program	Description
Maryland Department of Transportation	Minority Business Enterprise	MDOT Certified MBE and/or DBE Businesses (MDOT-MBE)
Federal Small Business Administration	8(a) Program	8(a) Certified Businesses (SBA-8a)
Women's Business Enterprise National Council	Women's Business Enterprise	Women's Business Enterprise (WBENC)
Maryland/District of Columbia Minority Supplier Development Council	Minority Business Enterprise	Minority Business Enterprise (MSDC)
City of Baltimore	Minority and Women's Business Opportunity Office	Minority and Women's Business Opportunity Office (MWBOO)

The MFD Program Specialist tracks and monitors contract awards and minority business compliance issues, so that goals are met. The MFD Program Specialist settles any disputes that may arise between a prime and subcontractor.

The MFD Program Specialist conducts reviews and investigations of prime contractors' non-compliance and non-payments to minority subcontractors. These investigations may result in withholding progress payments, assessing Liquidated Damages, etc.

The MFD Program continues to work toward increasing the participation of minority businesses through working with County departments, providing sources and resources to prime contractors, workshops, outreach events, pre-submission conferences and visual networking events.

Outreach Activities and Networking Events

¹ Businesses owned by vendors in several socially disadvantaged groups may be eligible for certification and participation in the MFD program, including African American, Hispanic American, Asian American, Native American, Female and Persons with Disabilities.

² Grants, utilities, intra/inter-governmental procurements are not subject to the MFD requirements.

Outreach Events are targeted efforts, with the goal of attracting vendors from all disciplines and sectors of the business community. The objective is to invite minority vendors to participate in the County's procurement process. Events are hosted by the Office of Procurement and invitations are extended to government agencies and business organizations that have an interest in the County's minority business programs. The events provide opportunities to local and minority vendors in seeking County's contracting information and other County policies related to local, small and minority vendors. For example, Tiffany Ward, the County's Chief Equity Officer was the guest speaker at our December 9th Procurement Virtual Fair, to emphasize the County's commitment to racial equity and social justice initiative.

In FY21, the County hosted 11 monthly online open house events. The MFD Program was participated in the outreach process for the following events:

- July 15, 2020: Monthly Open House: Local Business Preference Program
- August 5 – 13, 2020: Pathway to Growth Procurement Conference
- August 19, 2020: Monthly Open House
- August 19, 2020: MCSBA Meeting
- September 16, 2020: Monthly Open House
- October 21, 2020: Monthly Open House
- October 21-23, 2020: Asian American Business Summit & Expo
- October 29, 2020: How Did Strategic Sourcing Serve Public Sector in 2020... and how has it changed?
- November 6, 2020: Zoom Business Briefing with Councilmember Katz
- December 2, 2020: What's Happening, MoCo? Podcast
- December 9, 2020: Virtual Procurement Fair
- December 16, 2020: Monthly Open House
- January 20, 2021: Monthly Open House
- February 17, 2021: Monthly Open House
- March 17, 2021: Monthly Open House
- April 15, 2021: Prevailing Wage Online Workshop
- April 21, 2021: Monthly Open House
- May 14, 2021: Economic Recovery Town Hall Zoom
- May 20, 2021: Montgomery County Small Business Association
- June 10, 2021: MCCC Virtual Annual Awards

MFD Procurement Participation Report

FY18 - FY21 Comparison of MFD Contract Activity

FY	Total \$ Subject To MFD	Total \$ Encumbered To MFD	Total # Of POs	Total # Of POs to MFD	% Of Total \$ Encumbered To MFD	% Of # Of POs to MFD
21	\$746,510,083	\$200,457,253	5,726	2,462	26.86%	42.99%
20	\$797,850,214	\$182,655,316	7,098	2,767	22.89%	38.99%
19	\$802,861,953	\$195,995,706	6,019	2,553	24.41%	42.44%
18	\$843,516,122	\$198,198,235	5,772	2,726	23.50%	47.23%

FY21 MFD Contract Activity Summary by Procurement Category

Category	Total \$ Subject To MFD	Total \$ Encumbered To MFD	Total # Of POs	# Of POs to MFD	% Of Total \$ Encumbered To MFD	% Of # Of POs to MFD
Professional Services	\$357,963,484	\$66,771,188	2,064	1,038	18.65%	50.29%
Non-Professional Services	\$266,774,175	\$91,413,615	2,392	938	34.27%	39.21%
Goods	\$78,239,163	\$19,511,910	1,052	360	24.94%	34.22%
Construction	\$43,533,261	\$22,760,540	218	126	52.28%	57.80%
Total	\$746,510,083	\$200,457,253	5,726	2462	26.86%	42.99%

Dollar Value to MFD Firms by Group

Professional Services				
Total Dollars Subject to Goal: \$357,963,484			Total Actions:2,064	
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD	Total # Of Actions to MFD Group	% Of Total Actions by MFD Group
African American	\$2,827,302	0.79%	201	9.74%
Asian American	\$21,980,992	6.14%	320	15.50%
Female	\$37,272,443	10.41%	420	20.35%
Hispanic American	\$4,487,193	1.25%	91	4.41%
Native American	\$203,258	0.06%	6	0.29%
Person with Disability	\$0	0.00%	0	0.00%
Total	\$66,771,188	18.65%	1,038	50.29%

Non-Professional Services				
Total Dollars Subject to Goal: \$266,774,175			Total Actions:2,392	
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD	Total # Of Actions to MFD Group	% Of Total Actions by MFD Group
African American	\$30,200,883	11.32%	340	14.21%
Asian American	\$6,294,051	2.36%	91	3.80%
Female	\$22,281,704	8.35%	256	10.70%
Hispanic American	\$32,367,305	12.13%	238	9.95%
Native American	\$237,500	0.09%	10	0.42%
Person with Disability	\$32,172	0.01%	3	0.13%
Total	\$91,413,615	34.27%	938	39.21%

Goods				
Total Dollars Subject to Goal: \$78,239,163			Total Actions:1,052	
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD	Total # Of Actions to MFD Group	% Of Total Actions by MFD Group
African American	\$622,186	0.80%	57	5.42%
Asian American	\$6,648,801	8.50%	73	6.94%
Female	\$11,728,978	14.99%	188	17.87%
Hispanic American	\$511,945	0.65%	42	3.99%
Native American	\$0	0.00%	0	0.00%
Person with Disability	\$0	0.00%	0	0.00%
Total	\$19,511,910	24.94%	360	34.22%

Construction				
Total Dollars Subject to Goal: \$43,533,261			Total Actions:218	
Group	Total \$ Encumbered To MFD	% Of Total \$ Encumbered To MFD	Total # Of Actions to MFD Group	% Of Total Actions by MFD Group
African American	\$345,846	0.79%	6	2.75%
Asian American	\$240,539	0.55%	3	1.38%
Female	\$5,145,536	11.82%	54	24.77%
Hispanic American	\$17,028,619	39.12%	63	28.90%
Native American	\$0	0.00%	0	0.00%
Person with Disability	\$0	0.00%	0	0.00%
Total	\$22,760,540	52.28%	126	57.80%

FY21 MFD Utilization and Availability						
	Prime Contractor	Sub-Contractor	Total Contractor	FY21 Utilization	FY21 Availability	FY22 Goals
Professional Services	Subject to MFD Requirements:		\$357,963,484			
African American	\$1,825,168	\$1,002,134	\$2,827,302	0.79%	8.25%	8.25%
Asian American	\$19,428,339	\$2,552,653	\$21,980,992	6.14%	4.11%	4.11%
Female	\$36,502,967	\$769,476	\$37,272,443	10.42%	4.26%	4.26%
Hispanic American	\$3,957,627	\$529,566	\$4,487,193	1.26%	1.24%	1.24%
Native American	\$8,860	\$194,398	\$203,258	0.06%	0.11%	0.11%
Person with Disability	\$0	\$0	\$0	0%	0.80%	0.80%
Sub Total	\$61,722,961	\$5,048,227	\$66,771,188	18.65%	18.77%	18.77%
Non-Professional Services	Subject to MFD Requirements:		\$266,774,175			
African American	\$24,855,086	\$5,345,797	\$30,200,883	11.32%	12.57%	12.57%
Asian American	\$5,486,078	\$807,973	\$6,294,051	2.36%	3.49%	3.49%
Female	\$21,097,955	\$1,183,749	\$22,281,704	8.36%	5.46%	5.46%
Hispanic American	\$29,338,178	\$3,029,127	\$32,367,305	12.14%	2.58%	--
Native American	\$237,500	\$0	\$237,500	0.13%	0.08%	--
Person with Disability	\$0	\$32,172	\$32,172	0.02%	0.62%	0.62%
Sub Total	\$81,014,797	\$10,398,818	\$91,413,615	34.27%	24.80%	22.14%
Goods	Subject to MFD Requirements:		\$78,239,163			
African American	\$519,486	\$102,700	\$622,186	0.80%	5.79%	5.79%
Asian American	\$6,502,625	\$146,176	\$6,648,801	8.50%	2.01%	2.01%
Female	\$10,301,976	\$1,427,002	\$11,728,978	15.00%	6.57%	--
Hispanic American	\$479,773	\$32,172	\$511,945	0.66%	1.51%	1.51%
Native American	\$0	\$0	\$0	0%	0.11%	0.11%
Person with Disability	\$0	\$0	\$0	0%	0.75%	0.75%
Sub Total	\$17,803,860	\$1,708,050	\$19,511,910	24.94%	16.74%	10.17%
Construction	Subject to MFD Requirements:		\$43,533,261			
African American	\$338,326	\$7,520	\$345,846	0.80%	11.00%	11.00%
Asian American	\$68,639	\$171,900	\$240,539	0.56%	3.29%	3.29%
Female	\$5,145,536	\$0	\$5,145,536	11.82%	5.54%	5.54%
Hispanic American	\$17,006,149	\$22,470	\$17,028,619	39.12%	6.14%	--
Native American	\$0	\$0	\$0	0%	0.49%	0.49%
Person with Disability	\$0	\$0	\$0	0%	1.00%	1.00%
Sub Total	\$22,558,650	\$201,890	\$22,760,540	52.28%	27.46%	21.32%
Total Subject to MFD Requirements			\$746,510,083	26.86%		
Total MFD Procurement			\$200,457,253			

Total Dollars & Value of RFPs by MFD Group

The RFP section of the MFD report is a result of proposals submitted in response to formal Requests for Proposals (RFPs) issued by the County during FY21. The report tracks the following information:

- MFD business groups and non-MFD businesses participating in the process only as prime contractors
- Breakdown of number of awards
- Dollar values for each group
- Number of proposals submitted by each group

The total dollar value for RFPs issued in FY21 was \$165,022,043. Of that amount, MFD businesses were awarded \$85,983,333 or 52.11%. Out of 138 total RFP proposals submitted, 46 (33.34%) proposals were submitted by MFD businesses. A total of 46 RFP contract awards were issued. RFP contract awards to MFD prime contractors were 17 (34.70%). This is a significant increase of 8 or 17.39% from FY20's MFD businesses with RFP contract awards.

Total Dollars & Value of RFPs by MFD Group

	# Of Awards	% Of # Of Awards	Award Dollar Value	% Of Dollar Value	% Of Total MFD Dollar Value	# Of Proposals Submitted	% Of Proposals Submitted
African American	0	0.00%	\$0	0.00%	0.00%	13	9.35%
Hispanic American	2	4.08%	\$9,583,333	5.81%	11.15%	5	3.60%
Asian American	12	24.49%	\$71,750,000	43.48%	83.45%	22	15.83%
Native American	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Female	3	6.12%	\$4,650,000	2.82%	5.41%	6	4.32%
Person with Disabilities	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Total MFD Businesses	17	34.70%	\$85,983,333	52.11%	100%	46	33.34%
Non-MFD	32	65.31%	\$79,038,710	47.90%	--	92	66.67%
Total Businesses	49	100.01%	\$165,022,043	100%		138	100%

Total Dollars & Value of IFBs by MFD Group

The IFB section of the MFD report is a result of bids submitted in response to formal Invitation for Bids (IFBs) issued by the County during FY21. The report tracks the following information:

- MFD business groups and non-MFD businesses participating in the process only as prime contractors
- Break down of number of awards
- Dollar values for each group
- Number of bids submitted by each group

The total dollar value for IFBs issued in FY21 was \$48,039,967. Of that amount MFD businesses were awarded \$18,678,850 or 38.89%. Out of 85 total bids responding to the IFBs, 29 (34.12%) bids were submitted by MFD businesses. A total of 35 IFB contract awards were issued. MFD businesses were awarded 8 or 22.86%.

Total Dollars & Value of IFBs by MFD Group

	# Of Awards	% Of # Of Awards	Award Dollar Value	% Of Dollar Value	% Of Total MFD Dollar Value	# Of Proposals Submitted	% Of Proposals Submitted
African American	1	2.33%	\$22,500	0.01%	0.12%	5	5.05%
Hispanic American	4	9.30%	\$17,907,082	5.59%	95.87%	19	19.19%
Asian American	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Native American	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Female	3	6.98%	\$749,268	0.23%	4.01%	5	5.05%
Person with Disabilities	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Total MFD Businesses	8	22.86%	\$18,678,850	38.89%	100%	29	34.12%
Non-MFD	27	62.79%	\$29,361,117	9.16%	--	56	65.89%
Total Businesses	35	81.40%	\$48,039,967	100%		85	100%

Select Department MFD Participation Summary

MFD participation by selected departments focuses on those departments that have procurements of any type exceeding \$5 million in the aggregate or procurements for professional services exceeding \$1 million in the aggregate. For FY21, 13 departments met the criteria. Listed below is a summary of these departments' MFD utilization in FY21.

Select Department MFD Participation Summary

Departments	Total \$ Subject To MFD	MFD Utilization	% Of MFD Utilization	% Of Total MFD \$
Transportation	\$142,934,838	\$60,754,882	42.51%	31.71%
Technology Solutions	\$58,188,851	\$23,008,086	39.54%	12.01%
Recreation	\$7,104,330	\$718,161	10.11%	0.37%
Police	\$21,572,414	\$3,633,857	16.84%	1.90%
Human Resources	\$203,561,765	\$518,874	0.25%	0.27%
Health and Human Services	\$63,000,928	\$38,890,284	61.73%	20.30%
General Services	\$124,978,861	\$36,078,163	28.87%	18.83%
Fire and Rescue Service	\$25,886,901	\$2,124,750	8.21%	1.11%
Finance	\$11,833,473	\$886,281	7.49%	0.46%
Environmental Protection	\$56,831,121	\$23,953,649	42.15%	12.50%
Emergency Management and Homeland Security	\$2,660,551	\$415,037	15.60%	0.22%
County Executive	\$487,829	\$122,247	25.06%	0.06%
Correction and Rehabilitation	\$5,608,036	\$463,603	8.27%	0.24%
Total	\$724,649,898	\$191,567,874	26.44%	100.00%

* Detailed **Departments** reports can be viewed online at: <https://montgomerycountymd.gov/PRO/report/index.html> under MFD Annual Report FY21

* Detailed **Exclusion and Waivers** reports can be viewed online at: <https://montgomerycountymd.gov/PRO/report/index.html> under MFD Annual Report FY21