



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

September 24, 2024

TO: Andrew Friedson, President, County Council
FROM: Marc Elrich, County Executive *Marc Elrich*
SUBJECT: FY24 Annual Report: Minority, Female & Disabled Business Program (MFD)

In accordance with §11B-61 of the Montgomery County Code, attached is the annual report for Minority, Female and Disabled-owned Business Program (MFD) activity for FY24.

As you will note, page 8 of the MFD Annual Report includes a chart summarizing contracting with identified MFD categories (utilization) compared with the identified market of MFD Businesses in Montgomery County (availability). In FY24, 23.51% of all procurements subject to MFD regulations were awarded to MFD businesses. In FY24, the County encumbered \$248 million towards MFD Businesses.

This report and the previous MFD annual reports are posted on the Office of Procurement website: <https://www.montgomerycountymd.gov/PRO/report/index.html>. Here you will also find similar reports for previous Fiscal Years, which may serve as useful references.

Attachments

Cc: Richard Madaleno, Chief Administrative Officer
Ash Shetty, Office of Procurement
Grace Denno, Office of Procurement



FY2024
ANNUAL
REPORT

Minority, Female and Disabled-
Owned Business (MFD) Program

Executive Summary

In Fiscal Year (FY) 24, the total dollar amount awarded to certified Minority, Female, and Disabled (MFD) business enterprises was **\$248,126,541**, representing **23.5%** of the eligible contract value of \$1,055,664,323 that is subject to MFD participation. For the second consecutive year, the MFD Program set a new record, directing nearly a quarter of a billion dollars in contract awards to MFD vendors.

In FY24, female-owned businesses received the highest dollar value in awards among the MFD groups in two categories: Professional Services, with **\$40,935,657** (8.78%), and Goods, with **\$18,452,769** (11.44%).

Similarly, African American-owned businesses continued to demonstrate strong performance in Non-professional Services, receiving **\$50,681,332** (13.80%) of the \$367,422,667 in eligible spending. This reflected an increase in both the dollars awarded and category spending. However, African American businesses' participation in Construction still shows room for growth in areas such as renovation, painting, cleaning, trucking, drywall, and supplies/equipment.

Conversely, Hispanic American-owned businesses received **\$2,187,803** (6.14%) in Construction contract awards out of the total \$29,916,951 subject to the MFD requirements. This marked the first time in 10 years that Hispanic American businesses were under-utilized in Construction. As a result, the goal of 6.14% for this group in Construction was reinstated for Calendar Year (CY) 25.

The County's MFD program recognizes six (6) groups of MFD firms that must be at least 51% owned, controlled, and operated by:

- African Americans
- Asian Americans
- Females
- Hispanic Americans
- Native Americans
- Persons with Disabilities

The breakdown of purchasing categories and goals for CY25 are:

- Construction – 22%, increased from 16% in CY24.
- Professional Services – 15%, decreased from 19% in CY24.
- Non-professional – 22%, decreased from 23% in CY24.
- Goods – 8%; remaining the same at 8%.

A new Disparity Study is currently underway, the final report is expected to be submitted to the County in Q4, 2024. And an updated goal setting methodology based on its findings will be presented to the County Council by the end of calendar year 2024.

Framework of the MFD Program

Within the Office of Procurement, the Division of Business Relations and Compliance (DBRC) compiles an annual report on the Minority, 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 more¹.

There are six (6) minority certifications recognized and accepted by the County.

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)
U.S. Small Business Administration	8(a) Program	8(a) Certified Businesses (SBA-8a)
U.S. Small Business Administration	Service-Disabled Veteran Owned Small Business	Service-Disabled Veteran Owned Small Business (SDVOSB)
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 Manager tracks and monitors contract awards and MFD business compliance issues; conducts reviews and investigations of prime contractors' non-compliance and non-payments to MFD subcontractors. These investigations may result in withholding progress payments, assessing Liquidated Damages, barring a vendor from doing business with the County for three (3) years, etc.

The MFD Program continues to work towards increasing the participation of MFD businesses by working with County departments to identify opportunities for MFD contracting, providing assistance and resources to prime contractors, workshops, outreach events, pre-submission conferences and virtual and in-person networking events.

¹ Grants, utilities, intra/inter-governmental procurements are not subject to the MFD requirements.

Outreach Activities and Networking Events

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 MFD program. These 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.

In FY24, the Office of Procurement hosted monthly online open house events averaging 50-70 participants each time. The MFD program was also showcased in Pre-Submission Conferences where relevant. Program managers from DBRC guide participants through the required documentation, MFD participation goals, and how solicitation points are awarded during the evaluation process. In addition, DBRC hosted widely attended, in-person “signature” events including a Procurement Fair in the fall and a Vendor Connection Summit in the spring. The Vendor Connection Summit specifically targeted MFD businesses that want to network with prime contractors and the County’s using departments.

Fiscal Year 2024 Outreach Events List

*July 17, 2023:	USTDA Study Tour: Kenyan Delegation
*July 19, 2023:	Online Open House: PROjections Upcoming Solicitations
July 19, 2023:	Business Showcase
*August 16, 2023:	Online Open House: MFD and Local Programs
*September 7, 2023:	MDOT Certification Event
September 9, 2023:	Asian Fest
September 13, 2023:	Minority Contractor Summit
*September 20, 2023:	Online Open House: Write an Effective Proposal
October 11, 2023:	Meet the Primes
*October 17, 2023:	How to do Business with Montgomery County: Quarterly Webinar
*October 18, 2023:	Online Open House: General Session
October 24, 2023:	ChallengeHER Event
October 25, 2023:	Small Business Roundtable
October 27, 2023:	Asian American Business Summit
*November 15, 2023:	Online Open House
*November 16, 2023:	Procurement Fair
November 17, 2023:	Entrepreneurship Expo

December 11, 2023:	Minority Business Fair
*December 20, 2023:	Online Open House: Small Business Grants/Access to Capital
*January 16, 2024:	How to do Business with Montgomery County: Quarterly Webinar
*Jan. 17, 2024:	Online Open House: General Session
Feb. 4, 2024:	Lunar New Year Dinner
Feb. 20, 2024:	Black Business Expo
*Feb. 21, 2024:	Online Open House: Local Procurement Offices
Feb. 22, 2024:	MBE Night in Annapolis
Mar. 6, 2024:	Minority Contractor Summit
Mar. 7, 2024:	Empower HER
*Mar. 20, 2024:	Online Open House: What to Consider When Responding to an IFB
Mar. 21, 2024:	US-India Small Medium Enterprise
Mar. 27, 2024:	Yearly Training
*Apr. 17, 2024:	Online Open House: General Session
*Apr. 25, 2024:	Vendor Connection Summit
*Apr. 29, 2024:	MDOT Certification Training
*May 7, 2024:	MD Black Chamber Series: Local Procurement Offices
*May 14, 2024:	MD Black Chamber Series: How to do Business with Montgomery County
*May 21, 2024:	MD Black Chamber Series: MDOT Certification
*May 15, 2024:	Online Open House: PROjections: Upcoming Solicitations
*May 16, 2024:	How to do Business with Montgomery County
*May 23, 2024:	Prevailing Wage Law Webinar
June 12, 2024:	Federal Procurement Conference
*June 19, 2024:	Online Open House: Local Business Programs and MFD Program Overview

*Hosted or co-hosted by the Office of Procurement

MFD Procurement Participation Report

FY21 - FY24 Comparison of MFD Contract Activity

FY	Total \$ Subject to MFD	Total \$ Encumbered to MFD	% of Total \$ Encumbered to MFD
24	\$1,055,664,323	\$248,126,541	23.51%
23	\$1,090,391,062	\$246,374,095	22.60%
22	\$816,050,594	\$212,449,526	26.03%
21	\$803,708,131	\$201,344,333	25.05%

FY24 MFD Contract Activity Summary by Procurement Category

Category	Total \$ Subject to MFD	Total \$ Encumbered to MFD	% of Total \$ Encumbered to MFD
Professional Services	\$466,500,631	\$69,732,349	14.95%
Non-Professional Services	\$367,422,667	\$120,653,732	32.84%
Goods	\$161,341,375	\$29,916,951	18.55%
Construction	\$60,399,650	\$27,823,509	46.07%
Total	\$1,055,664,323	\$248,126,541	

FY24 Dollar Value to MFD Firms by Group

Professional Services		
Total Dollars Subject to Goal: \$466,500,631		Total Actions: 2,619
Group	Total \$ Encumbered to MFD	% of Total \$ Encumbered to MFD
African American	\$6,444,136	1.39%
Asian American	\$19,177,782	4.11%
Female	\$40,935,657	8.78%
Hispanic American	\$3,165,456	0.68%
Native American	\$0	0.00%
Person with Disability	\$9,318	0.01%
Total	\$69,732,349	14.95%

Non-Professional Services		
Total Dollars Subject to Goal: \$367,422,667		Total Actions: 4,038
Group	Total \$ Encumbered to MFD	% of Total \$ Encumbered to MFD
African American	\$50,681,332	13.80%
Asian American	\$9,468,301	2.58%
Female	\$24,544,235	6.68%
Hispanic American	\$35,921,233	9.78%
Native American	\$23,260	0.01%
Person with Disability	\$15,371	0.01%
Total	\$120,653,731	32.84%

Goods		
Total Dollars Subject to Goal: \$161,341,375		Total Actions: 1,529
Group	Total \$ Encumbered to MFD	% of Total \$ Encumbered to MFD
African American	\$2,063,291	1.28%
Asian American	\$8,982,928	5.57%
Female	\$18,452,769	11.44%
Hispanic American	\$413,823	0.26%
Native American	\$0	0.00%
Person with Disability	\$4,140	0.01%
Total	\$29,916,951	18.55%

Construction		
Total Dollars Subject to Goal: \$60,399,650		Total Actions: 203
Group	Total \$ Encumbered to MFD	% of Total \$ Encumbered to MFD
African American	\$0	0.00%
Asian American	\$520,298	0.87%
Female	\$25,115,408	41.59%
Hispanic American	\$2,187,803	3.63%
Native American	\$0	0.00%
Person with Disability	\$0	0.00%
Total	\$27,823,509	46.07%

FY24 MFD Utilization and Availability						
	Prime Contractor	Sub-Contractor	Total Contractor	FY24 Utilization	FY24 Availability	CY25 Goals ²
Professional Services	Subject to MFD Requirements:		\$466,500,631			
African American	\$3,237,345	\$3,206,791	\$6,444,136	1.39%	8.25%	8.25%
Asian American	\$16,269,909	\$2,907,873	\$19,177,782	4.11%	4.11%	4.11%
Female	\$39,841,971	\$1,093,686	\$40,935,657	8.78%	4.26%	-----
Hispanic American	\$2,541,423	\$624,033	\$3,165,456	0.68%	1.24%	1.24%
Native American	\$0	\$0	\$0	0.00%	0.11%	0.11%
Person with Disability	\$0	\$9,318	\$9,318	0.01%	0.80%	0.80%
Sub Total	\$61,890,648	\$7,841,701	\$69,732,349	14.95%	18.77%	15%
Non-Professional Services	Subject to MFD Requirements:		\$367,422,667			
African American	\$34,444,767	\$16,236,565	\$50,681,332	13.80%	12.57%	12.57%
Asian American	\$1,042,614	\$8,425,687	\$9,468,301	2.58%	3.49%	3.49%
Female	\$8,662,084	\$15,882,151	\$24,544,235	6.68%	5.46%	5.46%
Hispanic American	\$33,713,548	\$2,207,685	\$35,921,233	9.78%	2.58%	-----
Native American	\$23,260	\$0	\$23,260	0.01%	0.08%	0.08%
Person with Disability	\$0	\$15,371	\$15,371	0.01%	0.62%	0.62%
Sub Total	\$77,886,273	\$42,767,459	\$120,653,732	32.84%	24.80%	22%
Goods	Subject to MFD Requirements:		\$161,341,375			
African American	\$1,129,052	\$934,239	\$2,063,291	1.28%	5.79%	5.79%
Asian American	\$8,405,866	\$577,062	\$8,982,928	5.57%	2.01%	-----
Female	\$17,008,578	\$1,444,191	\$18,452,769	11.44%	6.57%	-----
Hispanic American	\$323,799	\$90,024	\$413,823	0.26%	1.51%	1.51%
Native American	\$0	\$0	\$0	0.00%	0.11%	0.11%
Person with Disability	\$0	\$4,140	\$4,140	0.01%	0.75%	0.75%
Sub Total	\$26,867,295	\$3,049,656	\$29,916,951	18.55%	16.74%	8%
Construction	Subject to MFD Requirements:		\$60,399,650			
African American	\$0	\$0	\$0	0.00%	11.00%	11.00%
Asian American	\$520,298	\$0	\$520,298	0.87%	3.29%	3.29%
Female	\$24,948,229	\$167,179	\$25,115,408	41.59%	5.54%	-----
Hispanic American	\$2,152,892	\$34,911	\$2,187,803	3.63%	6.14%	6.14%
Native American	\$0	\$0	\$0	0.00%	0.49%	0.49%
Person with Disability	\$0	\$0	\$0	0.00%	1.00%	1.00%
Sub Total	\$27,621,419	\$202,090	\$27,823,509	37.52%	27.46%	22%
Total Subject to MFD Requirements			\$1,055,664,323	23.51%		
Total MFD Procurement			\$248,126,541			

² For MFD subcontracting goal setting procedure, please refer to [Montgomery County Code 11B-60](#)

Total Dollars & Value of RFPs by MFD Group

The Requests for Proposals (RFP) section of the MFD report is a result of proposals submitted in response to formal RFPs issued by the County during FY24. 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 FY24 was **\$569,678,517**. Of that amount, MFD businesses were awarded \$214,862,654 (37.72%) and non-MFD vendors were awarded \$354,815,863 (62.29%). Out of **260** total RFP proposals submitted, MFD vendors received 65 (25%) and non-MFD vendors received 195 (75%). Note that out of the \$214,862,654 that was awarded to the MFD businesses, 63.33% or \$136,075,675 were awarded to Female owned businesses.

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	4	4.71%	\$58,461,980	10.27%	27.21%%	22	8.47%
Hispanic American	2	2.36%	\$13,999,999	2.46%	6.52%%	7	2.70%
Asian American	4	4.71%	\$6,325,000	1.11%	2.94%%	12	4.62%
Native American	0	0.00%	\$0	0.00%	0.00%%	0	0.00%
Female	7	8.24%	\$136,075,675	23.89%	63.33%%	23	8.85%
Person with Disabilities	0	0.00%	\$0	0.00%	0.00%%	1	0.39%
Total MFD Businesses	17	20.00%	\$214,862,654	37.72%	100%	65	25.00%
Non-MFD	68	80.00%	\$354,815,863	62.29%	--	195	75.00%
Total Businesses	85	100%	\$569,678,517	100.00%		260	100%

Total Dollars & Value of IFBs by MFD Group

The Invitation for Bids (IFB) section of the MFD report is a result of bids submitted in response to formal IFBs issued by the County during FY24. 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 bids submitted by each group.

The total dollar value for IFBs issued in FY24 was **\$188,836,303**. Of that amount MFD businesses were awarded \$48,244,700 (25.55%). Out of **193** total bids responding to the IFBs, 24 (12.44%) bids were submitted by MFD businesses. Of the **66** IFB contract awards that were issued, MFD businesses received 10 awards. It is noteworthy that out of the \$48,244,700 that was awarded to the MFD businesses, 68.82% or \$33,200,000 were awarded to Female owned businesses. Also African American businesses were awarded \$10,000,000, a 10-fold increase from FY23.

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	1.52%	\$10,000,000	5.30%	20.73%	3	1.56%
Hispanic American	3	4.55%	\$5,044,700	2.68%	10.46%	10	5.19%
Asian American	0	0.00%	\$0	0.00%	0.00%	1	0.52%
Native American	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Female	6	9.09%	\$33,200,000	17.59%	68.82%	10	5.19%
Person with Disabilities	0	0.00%	\$0	0.00%	0.00%	0	0.00%
Total MFD Businesses	10	15.16%	\$48,244,700	25.55%	100%	24	12.44%
Non-MFD	56	84.85%	\$140,591,603	74.46%	--	169	87.57%
Total Businesses	66	100%	\$188,836,303	100%		193	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 FY24, 12 departments met the criteria. Listed below is a summary of these departments' MFD utilization in FY24.

Selected Department MFD Participation Summary

Departments	Total \$ Subject to MFD	MFD Utilization	% of MFD Utilization	% of Total MFD \$
Transportation	\$232,413,657	\$60,951,754	26.23%	24.99%
Technology and Enterprise Business Solutions	\$110,787,744	\$32,314,222	29.17%	13.25%
Recreation	\$29,122,375	\$1,014,557	3.48%	0.42%
Police	\$27,146,013	\$3,319,767	12.23%	1.36%
Human Resources*	\$249,479,879	\$24,312,266	9.75%	9.97%
Health and Human Services	\$66,163,406	\$31,086,689	46.98%	12.75%
General Services	\$173,062,969	\$38,493,996	22.24%	15.78%
Fire and Rescue Service	\$24,415,615	\$2,428,361	9.95%	1.00%
Finance	\$13,764,887	\$9,945,105	72.25%	4.08%
Environmental Protection	\$87,560,485	\$37,424,820	42.74%	15.34%
Emergency Management and Homeland Security	\$3,503,673	\$959,815	27.39%	0.39%
Correction and Rehabilitation	\$9,939,098	\$460,660	4.63%	0.19%
Alcohol Beverage Services	\$6,713,111	\$1,195,396	17.81%	0.49%
Total	\$1,034,072,912	\$243,907,408	23.59%	100%

*Detailed Departments reports, and Detailed Exclusion and Waivers reports can be viewed online at: <https://montgomerycountymd.gov/PRO/report/index.html> under MFD Annual Report FY24