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Martin O'Malley, Governor

Anthony G. Brown, Lt. Governor



# The MBE Monitor

Integrity. Accountability. Opportunity.

*A Publication of the Maryland Department of Transportation's Office of Minority Business Enterprise  
The Official Certification Agency for the State of Maryland*



## A Message From The Governor

**D**uring these tough economic times, business owners must work twice as hard to survive and thrive. But despite the challenges that people throughout our entire nation must face, there is great reason for optimism in Maryland as we look ahead this summer. Just last spring, we were able to make important progress thanks to the hard work and partnership of Maryland's General Assembly. And on October 1, 2009, four new pieces of legislation will take effect.

We have expanded the personal net worth cap for the State's Minority Business Enterprise (MBE) Program in two important ways. First, the cap will now adjust with inflation. Secondly, minority business owners are not required to count the first \$500,000 of their retirement savings toward the cap. I believe these changes will help fuel the growth of Maryland's middle class by allowing prospering businesses to remain in the program.

In addition, success in the marketplace should be rewarded. New legislation will allow firms that graduate from the Program to remain in the MBE/DBE Directory. The directory is a useful tool for public and private sector procurement officers as well as prime contractors. It is easily accessible online at <http://mbe.mdot.state.md.us/directory/>.

We have also eliminated a requirement that negatively impacted African American, Asian, Hispanic and Native American female business owners by making them choose between gender and racial/ethnic identity when being certified. Now, women owners who are also a racial or ethnic minority may have their firms certified in dual categories.

Lastly, we addressed several common abuses that certified MBEs endure. The abuses are now felonies and are punishable by five years in prison and/or a \$20,000 fine. This action makes it clear that this Administration is serious about creating real business opportunities for minority firms. Fraud or other kinds of deception in meeting the State's minority participation goals will simply not be tolerated.

Our vision of One Maryland, where we all have a stake in each other's success, is built on cooperation and collaboration. With these new measures in place, I look forward to working with each of you as we continue to build a prosperous State with a thriving small business community.

Sincerely,

Martin O'Malley  
Governor

## 2009 Legislative Update

Maryland's Minority Business Enterprise (MBE) Program was impacted by several key pieces of legislation enacted during the 2009 session of the Maryland General Assembly.

"We continually work with legislators to ensure that the rules governing the MBE Program are in step with the overall goal of providing opportunities for certified firms to compete fully and fairly in State contracting," said Zenita Wickham Hurley, Director of the Office of Minority Business Enterprise (OMBE). "We worked with policymakers to write legislation that was responsive to the changing needs of both the Program and Maryland's minority business owners."

Four key pieces of legislation came out of the 2009 Session and were signed into law by Governor Martin O'Malley. They all become effective on October 1, 2009.

### Personal Net Worth

The Personal Net Worth (PNW) cap for firms certified under the State MBE Program will be impacted by two changes. First, the dollar amount of the cap will be adjusted annually for inflation as indicated by the Consumer Price Index. This change impacts new applicants as well as firms seeking recertification. The mechanisms for implementing this change are being established and will be defined by October 1, 2009, when the new legislation goes into effect. The second change impacting PNW relates to retirement savings. Applicants in the State MBE Program (both new and those applying for recertification) may exclude up to \$500,000 of the cash value of any qualified retirement savings plan or Individual Retirement Accounts from the PNW calculation. *It is important to note that the PNW cap and calculation methods currently in place for the federal Disadvantaged Business Enterprise (DBE) program have not changed.*

### Dual Certification of Minority Female-Owned Firms

The requirement that African American, Asian, Hispanic and Native American female business owners "choose" their certification category based on race/ethnicity or gender is being



removed. Under the new legislation, those female owners who are also members of an ethnic or racial minority group may be certified in that category in addition to the gender category.

### MBE Directory Status

The practice of removing firms from the MBE/DBE Directory upon graduating from the MBE Program is being eliminated. A firm that is non-renewed in one or more NAICS Codes because its owner's wealth exceeds the PNW cap or because the firm exceeds the U.S. Small Business Administration size standards for that NAICS Code will continue to be listed in the Directory. The Directory will be modified to clearly indicate the firm's active or graduated status by NAICS Codes. Although such firms can no longer participate as MBEs on new State contracts, private companies and other entities with minority business inclusion goals will still be able to locate these firms.

### Prohibitions Against Abuse of MBEs

The punishment for several common abuses endured by MBEs has been increased. These prohibited activities now carry a penalty of five years in prison and/or a \$20,000 fine. Those prohibitions include:

- *Using the name of a certified MBE in a bid or proposal without the firm's knowledge or permission;*
- *Failing to utilize the MBE in the performance of a contract;*
- *Paying an MBE solely for the use of the firm's name in a bid or proposal.*

The Governor's Office of Minority Affairs (GOMA) will establish a fraud hotline to help combat abuses of the MBE Program and provide a conduit for individuals to report such abuses.

***Questions? Comments? Concerns?***

***Contact OMBE's Legislative Liaison Micah Watson at 410-865-1258 or [mwatson@mdot.state.md.us](mailto:mwatson@mdot.state.md.us).***

## Advance Notice of Proposed Rulemaking

When any federal government agency seeks to change the rules of the program it oversees, an Advance Notice of Proposed Rulemaking (ANPRM) is published in the



Federal Register and the public is given the opportunity to comment. In April, the U.S. Department of Transportation (USDOT) published two ANPRMs affecting the Disadvantaged Business Enterprise (DBE) program. The first change would allow state transportation modes receiving federal funds (Maryland Transit Administration, Maryland Aviation Administration and the State Highway Administration) to set DBE goals every three years instead of annually. The second ANPRM is very broad and covers six different areas including materials sourcing, certification application forms and interstate certification. MDOT

submitted comments to both ANPRMs. To track the progress of these proposed changes, identify future rule makings and learn more about the DBE Program online, visit USDOT's Office of Small and Disadvantaged Business Utilization (OS-DBU) at [www.osdbu.dot.gov/DBEProgram/index.cfm](http://www.osdbu.dot.gov/DBEProgram/index.cfm) or contact OMBE's Legislative Liaison Micah Watson at 410-865-1258.

## Marketing Face-to-Face

Effective communication is often the deciding factor between success and failure in many of life's endeavors, especially in business. If you're not willing to invest time and effort into developing your communication skills, you may as well step aside and let your competition steal the show. There are many forms of effective communication, but nothing builds a stronger impression than face-to-face interaction. Of course, getting a meeting with a prospective customer is easier said than done, and techniques such as cold calling take years to perfect. If you're hoping to grow your business through government contracting, you should definitely attend pre-bid meetings. Pre-bid



meetings serve several purposes, but the opportunity to meet potential prime contractors as well as other small business owners is absolutely invaluable. Come prepared with ample business cards and copies of your capability statement. Even if the project is too big or the timing is bad, attending a pre-bid meeting is still valuable. It allows you to "be seen," creates an opportunity to initiate a new relationship and may even produce leads on work of which you may not be aware.

## Online Enhancements

The MBE/DBE Online Directory was revised and enhanced in November, 2008. Since that time, we have received many compliments on the directory's new format by companies searching the directory as well as the firms listed in it. Users are letting us know that the search options are much easier to navigate. The ability to save search data in a spreadsheet format has also been a popular new feature.

If you are already certified, please check your online directory listing to make sure it is accurate. If corrections are needed, contact OMBE at 410-865-1269 or [mbe@mdot.state.md.us](mailto:mbe@mdot.state.md.us). The Minority/Disadvantaged Business Enterprise section of MDOT's website is a valuable resource. We are continually updating the Calendar of Events with information about procurement fairs, conferences and networking events targeted toward small, women- and minority-owned businesses.



Visitors can download the Uniform Certification Application, read through our Frequently Asked Questions or check out current news impacting the Minority Business Enterprise Program in the *What's New* section. The *Resource* section contains helpful tips for companies seeking certification as well as those firms that are already certified. Visit the Minority/Disadvantaged Business Enterprise page at [www.mdot.maryland.gov](http://www.mdot.maryland.gov) today and bookmark the site for easy access.

**OMBE's staff members conduct a free Application Assistance Workshop on the first Tuesday of every month.**

**To learn more and register online, visit [http://www.mdot.maryland.gov/MBE\\_Program/Index.html](http://www.mdot.maryland.gov/MBE_Program/Index.html).**



**Calculating your personal net worth?  
View online tips at**

[http://www.mdot.maryland.gov/MBE\\_Program/Index.htm](http://www.mdot.maryland.gov/MBE_Program/Index.htm)

Select the Resources button.



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## Procurement Opportunities

Take advantage of State and local government contracting opportunities by registering with eMaryland Marketplace. The free registration provides a means for businesses to receive email notification of upcoming contracting opportunities in specified areas of interest and expertise. Register at [www.emarylandmarketplace.com](http://www.emarylandmarketplace.com) to join Maryland's gateway to bidding opportunities for commodity, construction, architecture and engineering, facility maintenance, human services, information technology and related services. Listed below are a few of the contracting opportunities currently available.

**J06SO256607** - All necessary labor, equipment, bonding, insurance, and expertise to perform snow removal from the landside (public areas) which includes but may not be limited to surrounding highways, parking lots and other areas at Baltimore/Washington International Thurgood Marshall Airport. MBE goal: 25%; African American-owned subgoal: 18%; woman-owned subgoal: 4%.

**BCGSO256195** - Upgrade the Woodland Avenue Sewage Pumping Station located at 705 Woodland Avenue, Halethorpe, MD 21227 for the purpose of increase reliability of the existing station. MBE goal: 10%; woman-owned subgoal: 2%.

**9AASO256858** - Phase I construction for Cox Creek WRN ENF to include new primary clarifiers, sodium bisulfite feed facility, gravity thickener modifications, demolition, new electrical room, electrical modifications, yard piping, site work and more. MBE goal range: 11% - 12%

**UMBSO256142** - Selection of a Construction Manager to provide "On Call" preconstruction and construction services at the University of Maryland, Baltimore. MBE goal: 25%

### RED DOOR STORE

*The Maryland National Capital Park and Planning Commission is seeking Expressions of Interest (REOI 29-121) from firms and individuals with experience in Historic Rehabilitation/Restoration for the Red Door Store located at 16400 Layhill Road, Sandy Spring, MD. The Commission is offering a long-term lease at low or no rent in exchange for the rehabilitation/restoration of the store. The Commission is hosting a pre-proposal/open house meeting on August 13, 2009 at 9:30 a.m. If you are interested in attending, please R.S.V.P. to [Jana.Harris@MNCPPC.org](mailto:Jana.Harris@MNCPPC.org) The deadline for submission is August 31, 2009. The REOI is not available online.*

## Certified Comments

The Office of Minority Business Enterprise (OMBE) is committed to ensuring that small, minority- and women-owned firms have the opportunity to participate fully and fairly in public contracting. We actively solicit comments from certified firms to help identify strengths and weaknesses in the certification process. Here's what a few of our certified firms have to say:

*"Scary process, but MDOT staff eliminated the fear."*

*"It appears to me that the process to be certified is very comprehensive and fair."*

*"The only thing I would change is the amount of time it takes from the beginning of the process to the end."*

*"My agent was very responsive and helpful with the entire process. I am very pleased with MDOT on their professionalism."*

*"The streamlined application process was very effective!"*

*"Thanks for working out a reciprocity process with neighboring jurisdictions."*

We welcome your comments and encourage you to share your experiences. Please contact us at:

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