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The MBE Monitor

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

Maryland's Minority Business Enterprise (MBE) Program is a source of great pride for our State. Despite a weak economy, I am pleased to report that Maryland awarded 23.2% of State procurement dollars to certified MBE firms in FY2010. This translates to nearly \$1.4 billion dollars of work.

As you may know, Maryland's MBE Program was established in 1978, and it is the oldest MBE Program in the nation. I was pleased to recently sign new legislation that continues the MBE Program with the current 25% statewide goal in place until July 2012. The 2011 legislation also makes two things clear. First, MBE contract goals must be set on a case-by-case basis and tailored to the individual circumstances of each contract, including the availability of MBEs to perform the work on those contracts. Second, if a contractor requests a waiver of all or a portion of a contract goal, the waiver determination must be made in writing and reported to the Governor's Office of Minority Affairs (GOMA) and the Board of Public Works (BPW), which will provide clarity regarding how, when and why waivers are granted.

In addition, statutory subgoals will no longer appear in the MBE statute, but contract-specific subgoals will continue to be required based on detailed guidance that aligns with the laws affecting race- and gender-conscious minority business programs. GOMA will issue this guidance, in consultation with the Maryland Department of Transportation and the Office of the Attorney General. Further, in order to ensure that MBEs are not used as "pass throughs," the 2011 legislation requires the BPW to issue regulations clarifying that MBEs must serve a commercially useful function. The BPW and GOMA also will identify a small number of contracts that will be issued without goals ("control contracts") so that the State may assess the levels of MBE participation occurring in the absence of contract goals.

Enactment of the 2011 legislation helps ensure that Maryland continues to operate a program that is fair, flexible, and constitutional. By continuing to work together, I firmly believe we can remove the barriers that are impacting minority and women business owners in Maryland.

Sincerely,

Martin O'Malley
Governor

2011 Legislative Update

Maryland's Minority Business Enterprise (MBE) Program has been impacted by several pieces of legislation passed during the 2011 Maryland General Assembly and signed by Governor O'Malley.



House Bill 456/Senate Bill 120 addressed a sunset provision in the existing program while providing opportunities to improve the program moving forward. The companion bills moved through the legislative process with ease thanks to support within both the House of Delegates and the State Senate. (*Read the Governor's Message on cover for details about the legislation.*)

"We made sure our legislators understood the bill and were given plenty of opportunity to voice their opinions," said Delegate Dan Morhaim (D-Baltimore County), sponsor of the House Bill and Chair of the Government Operations Sub-committee where MBE bills are heard. "The most important goal was to make sure the program did not lapse and that we maintained its integrity and functionality," added the Deputy Majority Leader in the House and the only physician in the Maryland General Assembly.

Sponsor of the legislation in the Senate and Chair of the Education, Health and Environmental Affairs Committee where MBE bills are heard by the Senate, Senator Joan Carter Conway (D-Baltimore City), has been a long-time advocate of the State's MBE Program. She has championed small, minority and women-owned businesses throughout her political and professional career.

"By providing for a one year extension of the MBE Program's sunset provision, we are giving legislators the time needed to carefully draft responsive legislation that will meet the needs of our minority business community. This legislation is the result of a good team effort between

the Governor's Office of Minority Affairs (GOMA), the Maryland Department of Transportation (MDOT) and my colleagues in the House and Senate," stated Delegate Morhaim.

As Delegate Morhaim observed, policymakers are already reviewing the 2011 Disparity Study and seeking input from members of the local business community as they identify and develop possible enhancements to the MBE Program.

Senate Bill 558, introduced as emergency legislation by Senator Catherine E. Pugh (D-Baltimore City), adds statutory provisions for amending the MBE participation schedule prior to and after contract award.

Senate Bill 638, introduced by Senator Joanne C. Benson (D-Prince George's County), specifies a termination date of July 1, 2018, for certain provisions of law relating to minority participation in video lottery facility operations, and for specified duties of the State Lottery Commission and the Governor's Office of Minority Affairs.

Changes to the MBE Program as a result of House Bill 456/Senate Bill 120 and Senate Bill 638 became effective on July 1, 2011. Senate Bill 558, which was approved as emergency legislation, became effective on May 10, 2011.

To view more details about these and other actions taken during the 2011 General Assembly, visit the Maryland General Assembly website at <http://mlis.state.md.us/>.

Mark Your Calendar



MBE University is returning to Prince George's County on Monday, October 3, 2011. Visit the Governor's Office of Minority Affairs at <http://www.mdminoritybusiness.com/> for details.

MBE Success Story *Vangel Paper, Inc.*



Valerie Androutsopoulos started Vangel Paper, Inc. in 1989 with the same thing all entrepreneurs have – passion. The recycling industry was beginning to grow and consumers were getting on board with the “green” concept. Commercial customers, however, were hard to find. She saw opportunities within State and county governments and got certified as a Minority Business Enterprise (MBE) shortly thereafter.

“We started off working as a subcontractor and had some missteps along the way,” commented Valerie. “The first contract was a bust, but we kept going.”

In 1991, market conditions changed and the company turned a profit. Over the next years Vangel shifted its business model from being a commodity-based operation to a fee-for-service company. The company first offered off-site plant-based shredding services, a greener process because the data to be destroyed is picked-up at the same time and with the same vehicle as the recyclables then processed differently at the secure facility.

“We didn’t foresee that mobile shredding would develop into its own industry, but we adapted to the shift,” Valerie said. “In fact, we reinvented ourselves and have found new opportunities to further our green vision. Just like with recycling, customers want to be sure their information is secure in our hands and their paper documents are being destroyed safely. We’ve built our reputation on delivering a high level of trust with our customers.”

Valerie has learned valuable lessons along the way and understands that change is inevitable. She also knows that she can never stop looking for that next opportunity.

According to Valerie, being a small business owner is tough. “You grow or you die. Being an MBE may not be relevant to every single job we go after, but it has been a valuable tool for us in both the public and private sectors,” she concluded.

Vangel Paper is a full-service recycling and shredding company operating as both a prime contractor and a subcontractor. Valerie hopes her company’s reputation and past performance will take the business into its newest venture – the destruction and recycling of digital information.

Marketing Matters *Web Presence Required*

We are in a digital business age, yet too many small businesses still do not have a website. Regardless of your firm’s size, the products and services you sell, or the target audience you are trying to reach, a website is now part of the cost of doing business. That means you absolutely, positively, without question **MUST** have a website.

Retailers and service providers used to “push” products to potential customers through delivery channels such as newspaper ads, radio commercials and direct mail flyers. Today

consumers “pull” information to help them make buying decisions. Before the Internet, we called this research. Today it’s known as surfing. No, it’s not formal, but, yes, it is happening in every business sector on the face of the planet. It doesn’t even matter if you sell online or from a retail location. Potential customers want to see your website. With over 235 million searches on Google every day, you are losing customers if you don’t have a web presence.



It really is that simple. Developing the website is where things can get more complicated. You do not have to be a webmaster

to create a website, so throw that excuse right out the window. With just a little bit of surfing, you’ll find that a number of great and inexpensive design programs have been developed with small business owners in mind. Doing it yourself might be intimidating, but it also has a number of advantages. First, you’ll learn a new skill. That’s never a bad thing. Second,

you won’t have to rely on somebody else for updates and maintenance because you’ll know how to do it yourself. That will save you money. And third, nobody knows your company better than you. What better way to make sure the site tells your story than to design it yourself?

Start this new adventure by taking a critical look at the websites you visit the most. How does the navigation flow? How are graphics and colors being used? What size and style fonts are being used? Imitate the things you like and ignore the stuff you don’t.

If you own a business, you need a website. Don’t wait another day to build your web presence.



Martin O'Malley
Governor

Anthony G. Brown
Lt. Governor



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The MBE Monitor is published by the Office of Minority Business Enterprise. This document is provided in an alternative format to qualified individuals with disabilities.

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Procurement Resources

Take advantage of State and local government contracting opportunities by registering with **eMaryland Marketplace**. The free registration provides a means for businesses to receive e-mail notification of contracting opportunities in their specified areas of interest and expertise. Visit <https://ebidmarketplace.com/> to get more information and join Maryland's gateway to bidding opportunities for commodity, construction, architecture and engineering, facility maintenance, human services, information technology and related services. Once you have registered with eMarylandMarketplace be sure to keep your profile up-to-date. This will ensure you are receiving information about solicitations that are right for you.



A number of solicitations in eMarylandMarketplace are designated as Small Business Reserve (SBR) only. If you are not already registered in this free program, don't wait another day. Twenty-four State agencies structure their procurement processes so that at least 10 percent of their total procurement dollars are spent with qualified small businesses. Visit <https://dgs.maryland.gov/> and register today. The online registration process takes just 15 to 20 minutes.

Take A Look!



Be sure to check out the new look of the Office of Minority Business Enterprise website. The site features a number of enhancements including a fillable Uniform Certification Application that can be saved to your personal desktop. Improved navigation and new resources have also been added. New features in the Calendar of Events make it easy to create a reminder and share event information with a friend. Click [here](#) to visit the site.

SHA Pilot Procurement Program

The Maryland Department of Transportation (MDOT) is conducting a pilot procurement program with the State Highway Administration (SHA). The pilot program is intended to give MDOT the opportunity to test certain Disadvantaged Business Enterprise (DBE) Program modification and enhancement efforts for federally-funded procurements at SHA. The SHA Pilot Procurement Program only applies to designated, federally-funded procure-

ments at SHA. It does not apply to: (1) procurements at any other MDOT modal administration, (2) any SHA procurement that has not been designated as a

pilot program, or (3) State-funded procurements that are subject to the State MBE program.

For designated procurements in the "Solicitation Lists" portion of the SHA Pilot Procurement Program, the solicitation materials will include lists containing the relevant items of work identified as potentially available for subcontracting to DBE firms.

The SHA Pilot Procurement Program is currently underway and will run through November 2011.

