

TANGIBLE RESULT #7

## Be Fair and Reasonable to Our Partners



MDOT will provide an easy, reliable procurement experience throughout the system.

**RESULT DRIVER:**

Wanda Dade

*State Highway Administration (SHA)*

#### TANGIBLE RESULT DRIVER:

Wanda Dade  
*State Highway Administration (SHA)*

#### PERFORMANCE MEASURE DRIVER:

Angela Martin  
*Maryland Aviation Administration (MAA)*

#### PURPOSE OF MEASURE:

To track MBE participation achieved on contracts within MDOT.

#### FREQUENCY:

Quarterly

#### DATA COLLECTION METHODOLOGY:

MDOT TBUs report the data on a quarterly basis to Governor's Office of Minority Affairs (GOMA) and MDOT. The information will be provided by MDOT from that report.

#### NATIONAL BENCHMARK:

N/A

The State goal/benchmark is 29 percent.

## PERFORMANCE MEASURE 7.1

### Percentage of Minority Business Enterprise (MBE) Participation Achieved by Each TBU

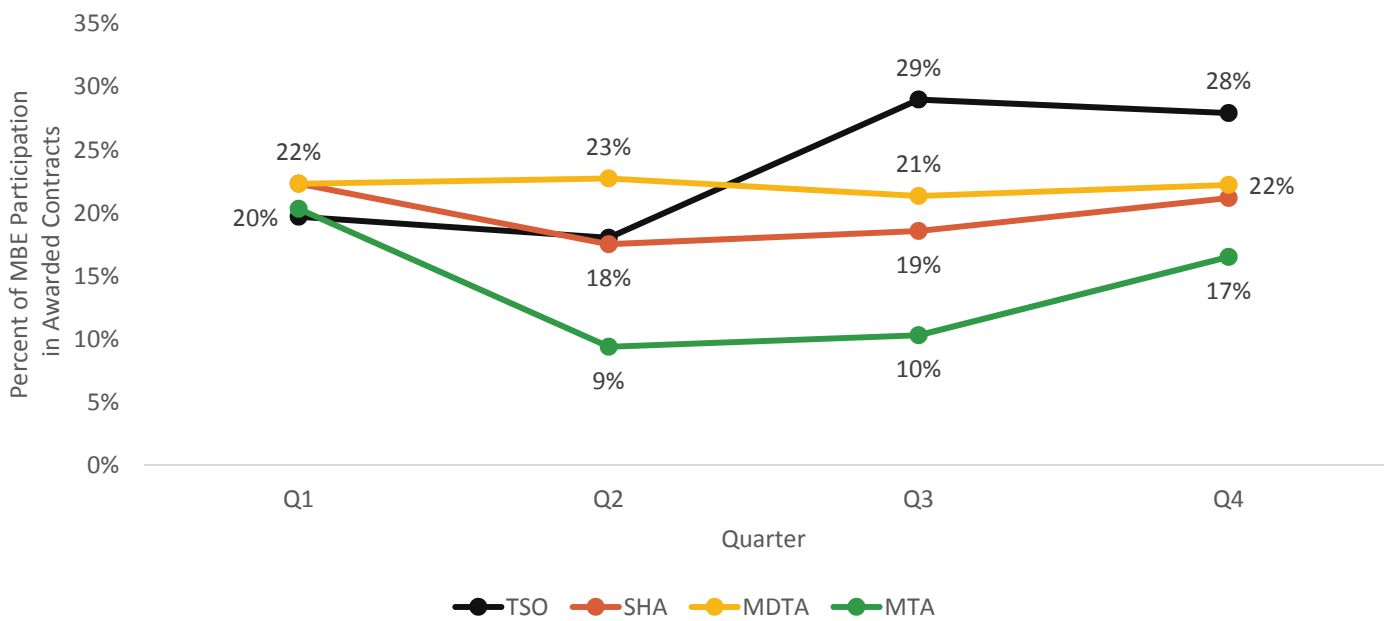
The MBE program is a Statewide program to facilitate minority business participation on contracts. Each MDOT TBU tracks MBE participation data for internal program monitoring. Participation is reported on a quarterly year-to-date basis.

- MDOT MBE participation for FY2017 was approximately 22.52 percent (average of all TBUs) reflecting an increase from 20 percent at the end of Q3 FY2017. Participation is reported as year to date participation so Q4 represents participation for all of FY 2017 (July 2016 – June 2017). Participation at the TBUs ranged from 16.5 percent to 28 percent.
- MBE participation is important as MDOT is subject to the Statewide MBE goal of 29 percent as are all State agencies. Participation has been up and down during the last fiscal year, but overall the participation has not been at that level.
- Per the strategic plan, input was obtained from MDOT Procurement and Fair Practices staff regarding approaches to positively impact the goal. Unbundling of contracts, an increase in the number of smaller contracts and increased/enhanced outreach efforts are items that were recommended. Implementation of these items should have a positive impact on participation.
- MDOT MBE Participation for FY2016 was approximately 19 percent (average of all TBUs).

**PERFORMANCE MEASURE 7.1**

Percentage of Minority Business Enterprise (MBE) Participation Achieved  
by Each TBU

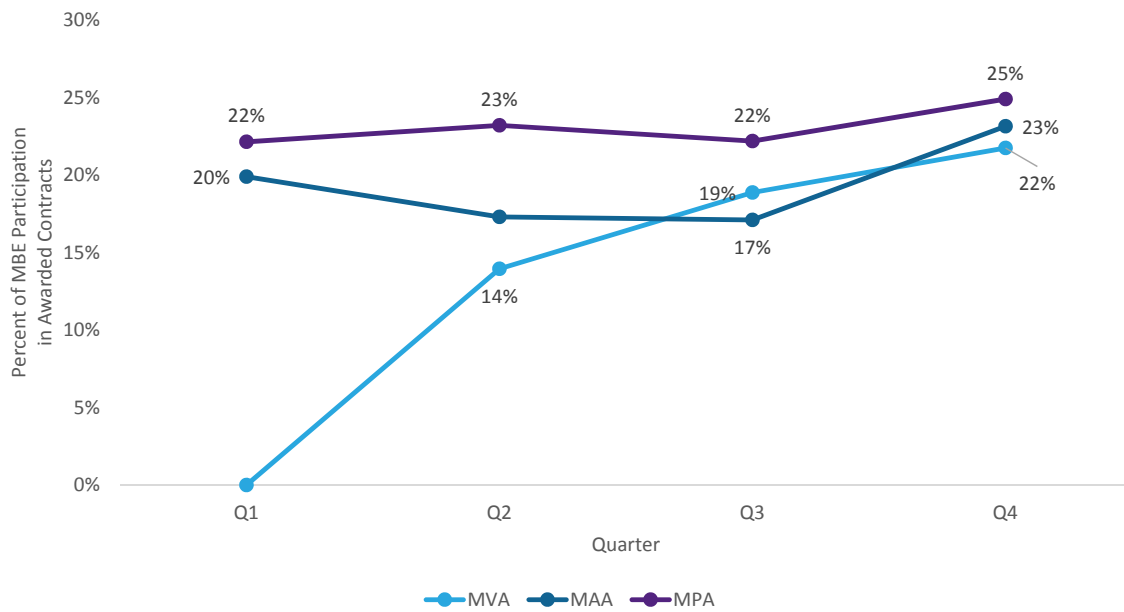
**Chart 7.1.1: MBE Participation Rate in Awarded Contracts by TBU FY2017**



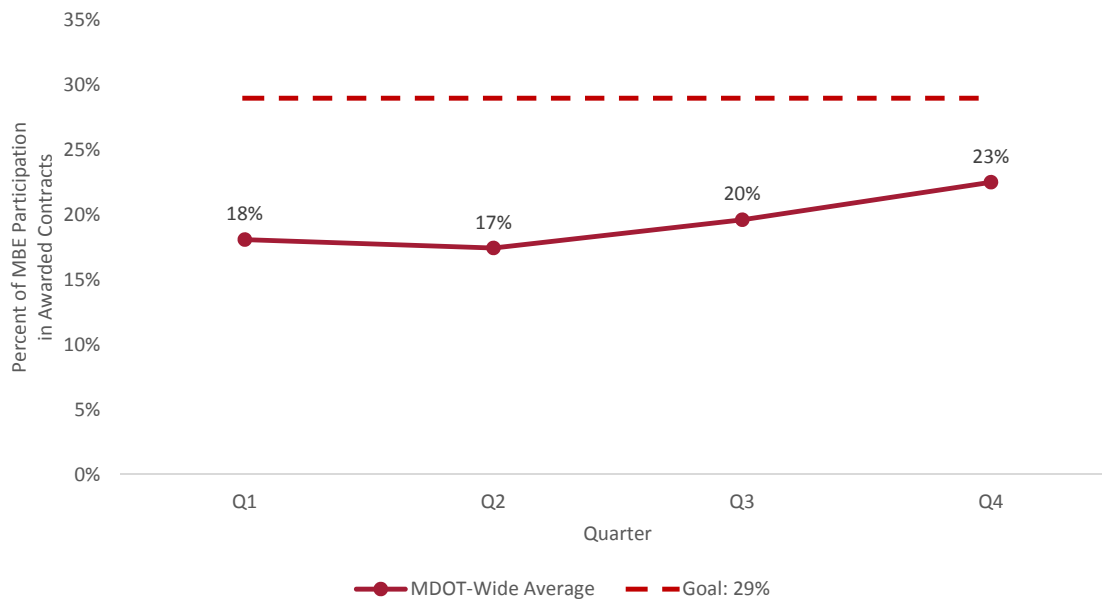
**PERFORMANCE MEASURE 7.1**

Percentage of Minority Business Enterprise (MBE) Participation Achieved by Each TBU

**Chart 7.1.2: MBE Participation Rate in Awarded Contracts by TBU FY2017**



**Chart 7.1.3: MBE Participation Rate in Awarded Contracts MDOT-Wide FY2017**



**TANGIBLE RESULT DRIVER:**

Wanda Dade  
*State Highway Administration (SHA)*

**PERFORMANCE MEASURE DRIVER:**

Angela Martin  
*Maryland Aviation Administration (MAA)*

**PURPOSE OF MEASURE:**

To track MBE prime contractor participation achieved on contracts within MDOT to ensure MDOT provides opportunities to all of business partners.

**FREQUENCY:**

Quarterly

**DATA COLLECTION METHODOLOGY:**

Data will be collected from MDOT and TBUs.

**NATIONAL BENCHMARK:**

N/A

## **PERFORMANCE MEASURE 7.2**

### **Number and Percent of Contracts Awarded to MBE Firms as the Prime Contractor**

Participation of MBE firms as a prime contractor is important to facilitate their growth and enable them to compete in the general marketplace after graduation. MBE firms “graduate” from the program when reaching designated thresholds (i.e., company gross receipts and personal net worth of owners).

The information previously reported in this measure was the number of MBE prime contractors awarded contracts at/above \$500,000, which did not include small purchases. The contracts covered a variety of areas including construction, architectural, engineering, maintenance and services. The overall percentage of MBE prime awards within MDOT at the designated threshold of \$500,000 and above fluctuated based on the number of prime contracts awarded overall, and the number of MBE prime contracts awarded. In instances where a smaller number of contracts were awarded overall, and a higher number of MBE prime contracts were awarded, the percentage of MBE primes was higher, but usually it was in a range at or below 10 percent.

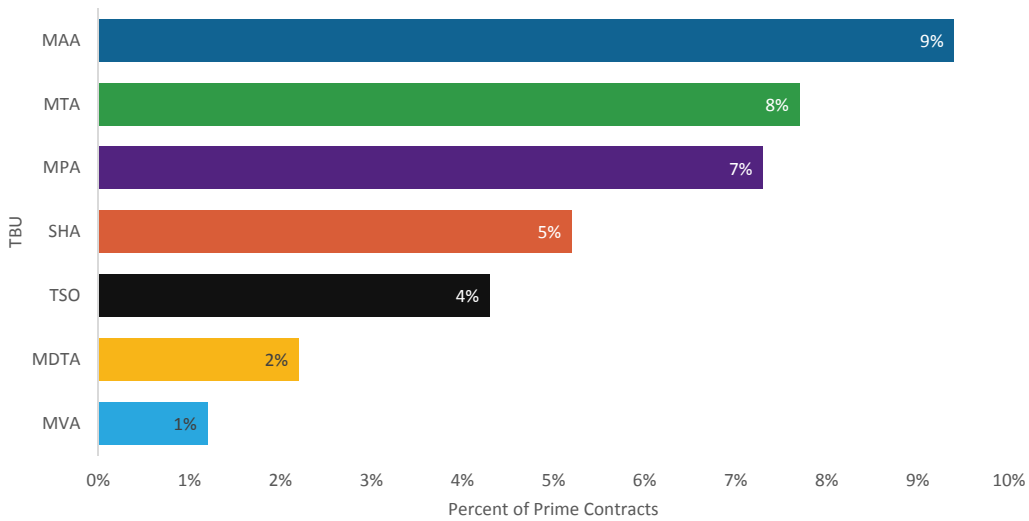
Due to the small number of contracts awarded at the \$500,000 and above level, it was determined that the better approach would be to review and report the total number of MBE prime contracts awarded. This approach would also reflect the information that is reported to the Governor’s Office of Small, Minority and Women Business Affairs (GOSBA). The year-to-date percentage of MBE prime contractors for MDOT for FY 2017 was 5.4 percent. The percentages for the MDOT TBUs ranged from 1.2 percent to 9.4 percent.

Per the strategic plan, input from the Procurement and Fair Practices staff was obtained regarding approaches to increase the number of MBE primes. Unbundling of contracts, increasing the number of smaller contracts in areas with high levels of MBE firms and increased/enhanced outreach and technical assistance to these MBE firms are items that were recommended. Implementation of these changes should have a positive impact on the participation of MBE firms as prime contractors.

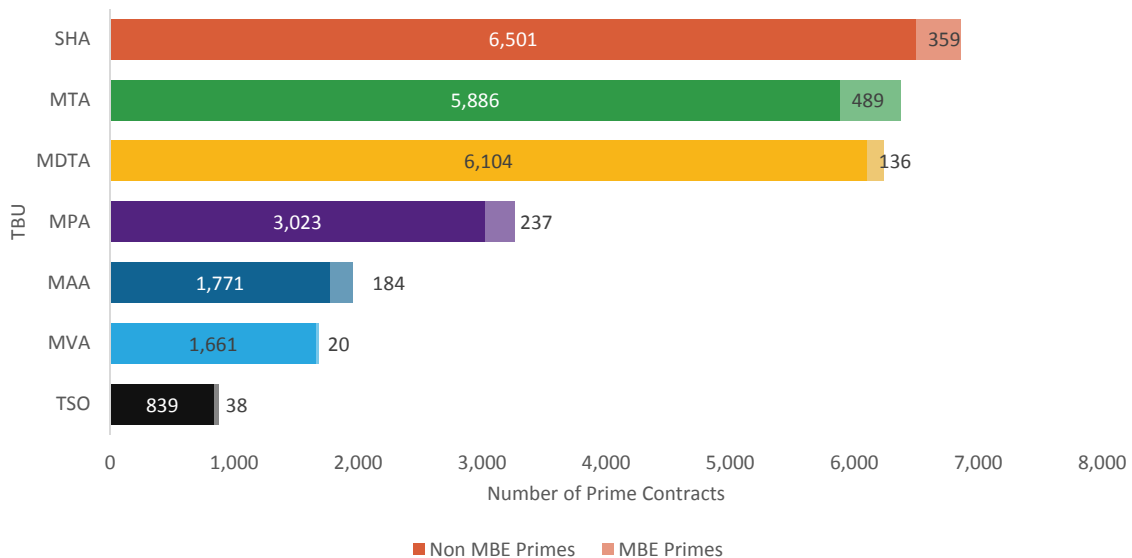
**PERFORMANCE MEASURE 7.2**

Number and Percent of Contracts Awarded to MBE Firms as the Prime Contractor

**Chart 7.2.1: Percent of MBE Prime of Total Contracts by TBU FY2017**



**Chart 7.2.2: MDOT Prime Contracts vs. MBE Prime Contracts by TBU FY2017**



#### TANGIBLE RESULT DRIVER:

Wanda Dade  
*State Highway Administration (SHA)*

#### PERFORMANCE MEASURE DRIVER:

Wonza Spann-Nicholas  
*Maryland Port Administration (MPA)*

#### PURPOSE OF MEASURE:

Track compliance with State mandate for awarding 10 percent of MDOT's total eligible procurement expenditures to certified Small Business Reserve contracts.

#### FREQUENCY:

Quarterly, compiled annually

#### DATA COLLECTION METHODOLOGY:

SBR goal is calculated quarterly from eligible contracts and expenditure data exported from FMIS, iFMIS and US Bank for Corporate Credit Card data.

#### NATIONAL BENCHMARK:

GOMA maintains the State's official record of SBR designation and spending across 23 participating agencies, including MDOT's TBUs. The State's mandate is 10 percent or better.

## PERFORMANCE MEASURE 7.3

### Percent of Payments Awarded to Small Business Reserve (SBR) Contracts

Maryland's economy is powered by the jobs and innovative resources generated by small businesses. The SBR Program is a race - and gender-neutral program that provides small businesses with the opportunity to participate as prime contractors on State contracts and procurements by competing with other small businesses instead of larger, more established firms.

To ensure compliance with State regulations, each TBU is required to participate in the SBR Program by spending at least 10 percent of their annual fiscal year eligible procurement expenditures with qualified small businesses.

For the first time since the SBR Program was established in 2004, MDOT achieved an 11.2 percent participation rate in FY2015. However, GOMA has not yet released the FY2016 annual achievement rates.

To increase the SBR Program participation rates, MDOT provided documented policy guidelines to all TBUs. These guidelines focus on increasing the SBR participation rate by requiring an annual strategic plan from each TBU.

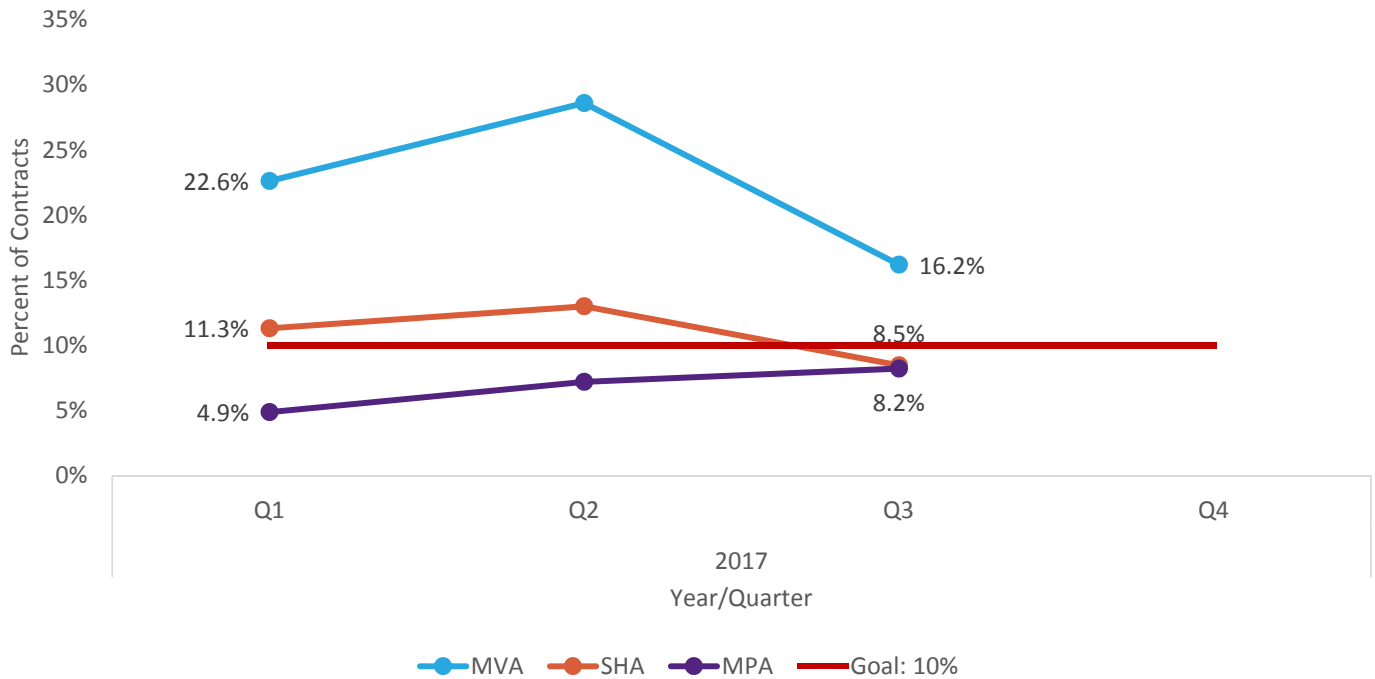
Some strategies include:

- Require Procurement Review Group's approval of SBR goals.
- Create a SBR liaison and reporting expert
- Train and work closely with purchasing card holders to emphasize SBR firms
- Increase small business outreach and vendor education

**PERFORMANCE MEASURE 7.3**

Percent of Payments Awarded to Small Business Reserve (SBR) Contracts

Chart 7.3.1: Small Business Reserve Participation Rate by TBU FY2017

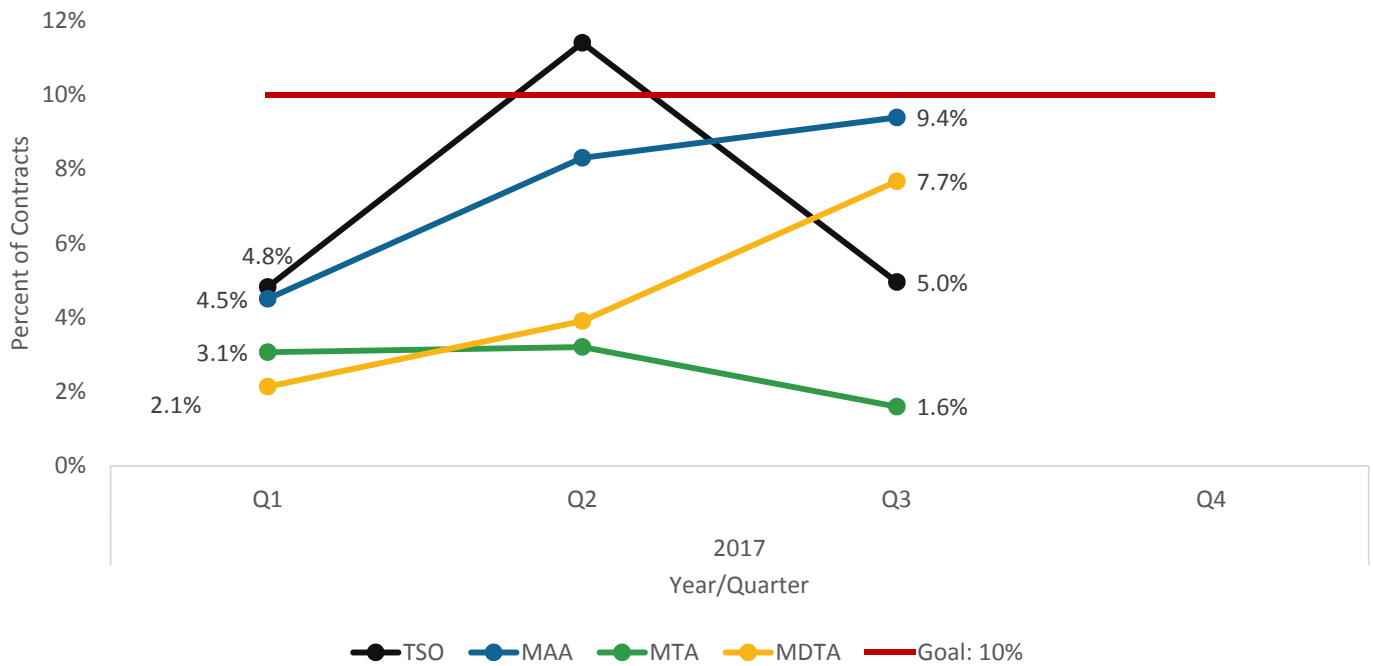




**PERFORMANCE MEASURE 7.3**

Percent of Payments Awarded to Small Business Reserve (SBR) Contracts

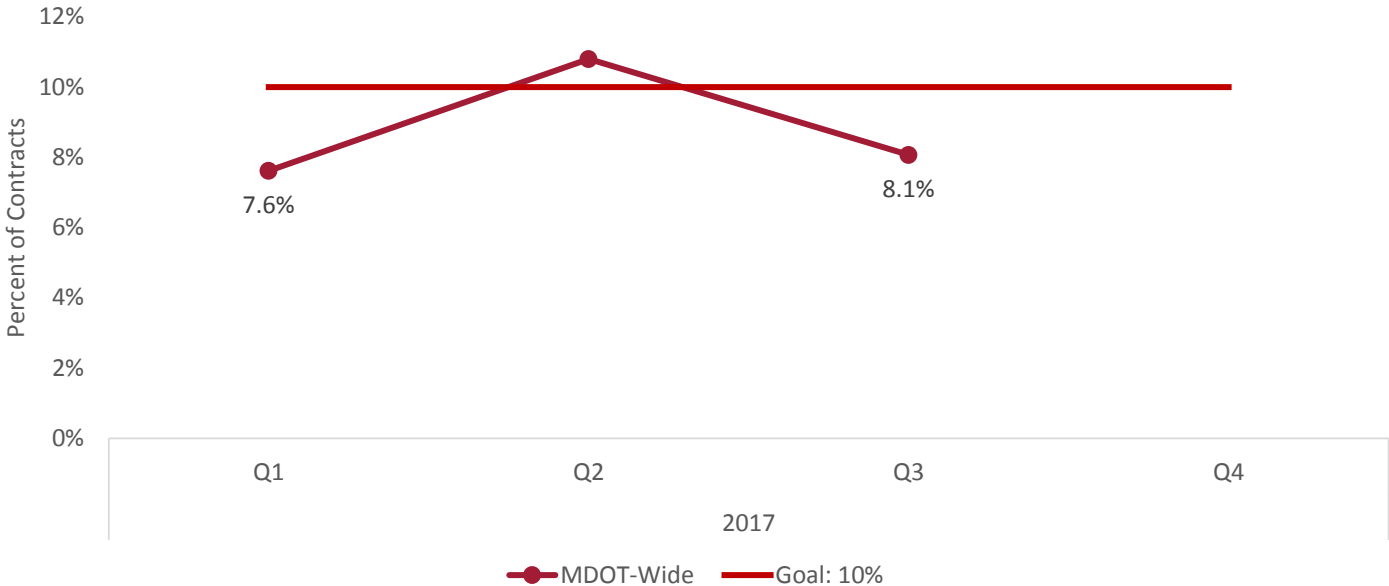
**Chart 7.3.2: Small Business Reserve Participation Rate by TBU FY2017**



**PERFORMANCE MEASURE 7.3**

Percent of Payments Awarded to Small Business Reserve (SBR) Contracts

Chart 7.3.3: Small Business Reserve Participation Rate MDOT-Wide FY2017



**TANGIBLE RESULT DRIVER:**

Wanda Dade  
*State Highway Administration (SHA)*

**PERFORMANCE MEASURE DRIVER:**

Natalie Grasso  
*Motor Vehicle Administration (MVA)*

**PURPOSE OF MEASURE:**

To track the percent of VSBE contract values to ensure that MDOT continues a contractual relationship with VSBEs in Maryland.

**FREQUENCY:**

Annually (in January)

**DATA COLLECTION METHODOLOGY:**

Using the Financial Management system at MDOT.

**NATIONAL BENCHMARK:**

N/A

The State's mandate is 1 percent or better of its total dollar value of procurement contracts.

## **PERFORMANCE MEASURE 7.4**

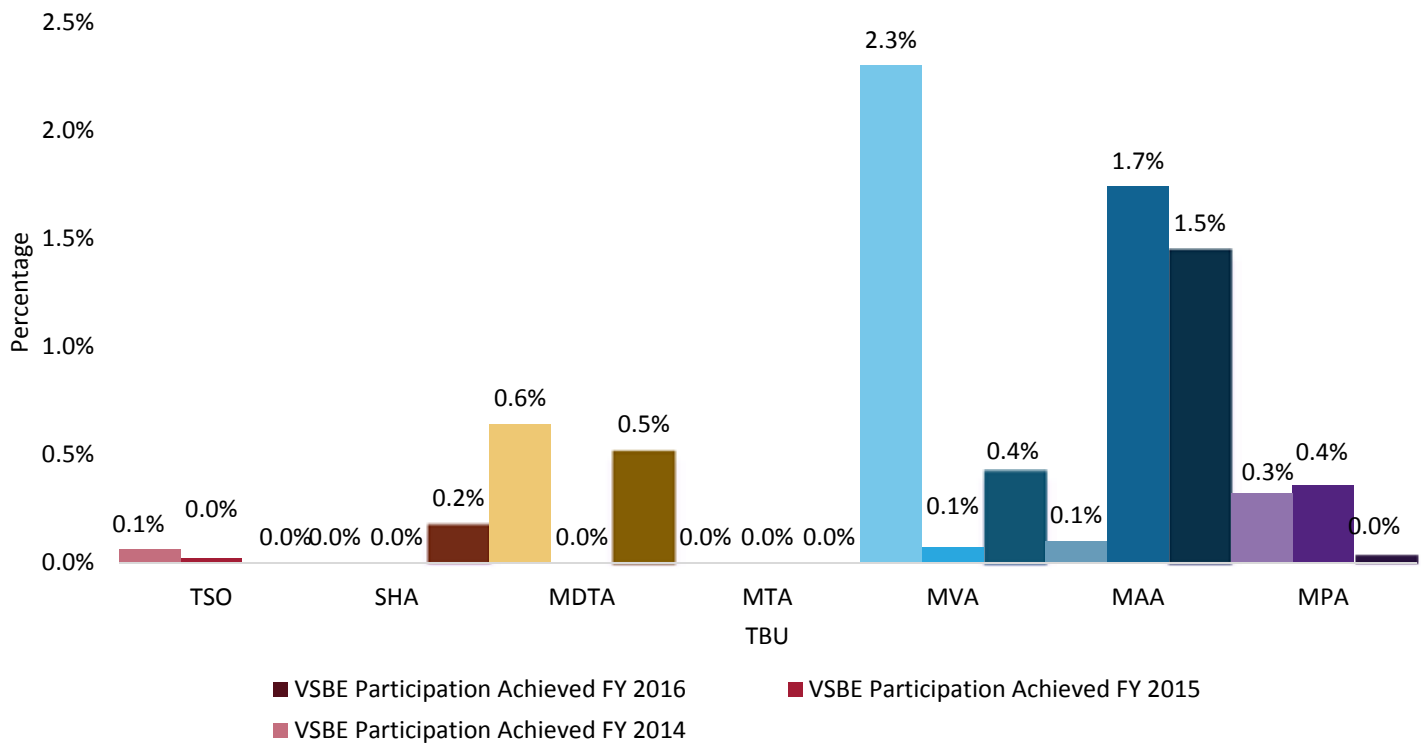
### **Percent of Veteran Owned Small Business Enterprise (VSBE) Participation**

MDOT considers small business, especially veteran owned small businesses, to be an important sector of the business community. Procurement opportunities for this business segment are directly linked to the socioeconomic well-being of the State. MDOT is committed to attaining or exceeding the State mandated goal for veteran businesses.

**PERFORMANCE MEASURE 7.4**

Percent of Veteran Owned Small Business Enterprise (VSBE) Participation

**Chart 7.4.1: VSBE Percentage Across MDOT FY2014-FY2016**



**TANGIBLE RESULT DRIVER:**

Wanda Dade  
*State Highway Administration (SHA)*

**PERFORMANCE MEASURE DRIVER:**

Luther Dolcar  
*Maryland Transportation Authority (MDTA)*

**PURPOSE OF MEASURE:**

To determine the level of satisfaction of our business partners with processes MDOT-wide.

**FREQUENCY:**

Quarterly

**DATA COLLECTION METHODOLOGY:**

The Performance Measure Driver administers a Level of Satisfaction survey to MDOT's partners. After the survey cutoff date, the data is then compiled and analyzed. An Outlook email address has been established for easier quarterly reporting.

**NATIONAL BENCHMARK:**

TBD

**PERFORMANCE MEASURE 7.5****Level of Satisfaction of Our Business Partners**

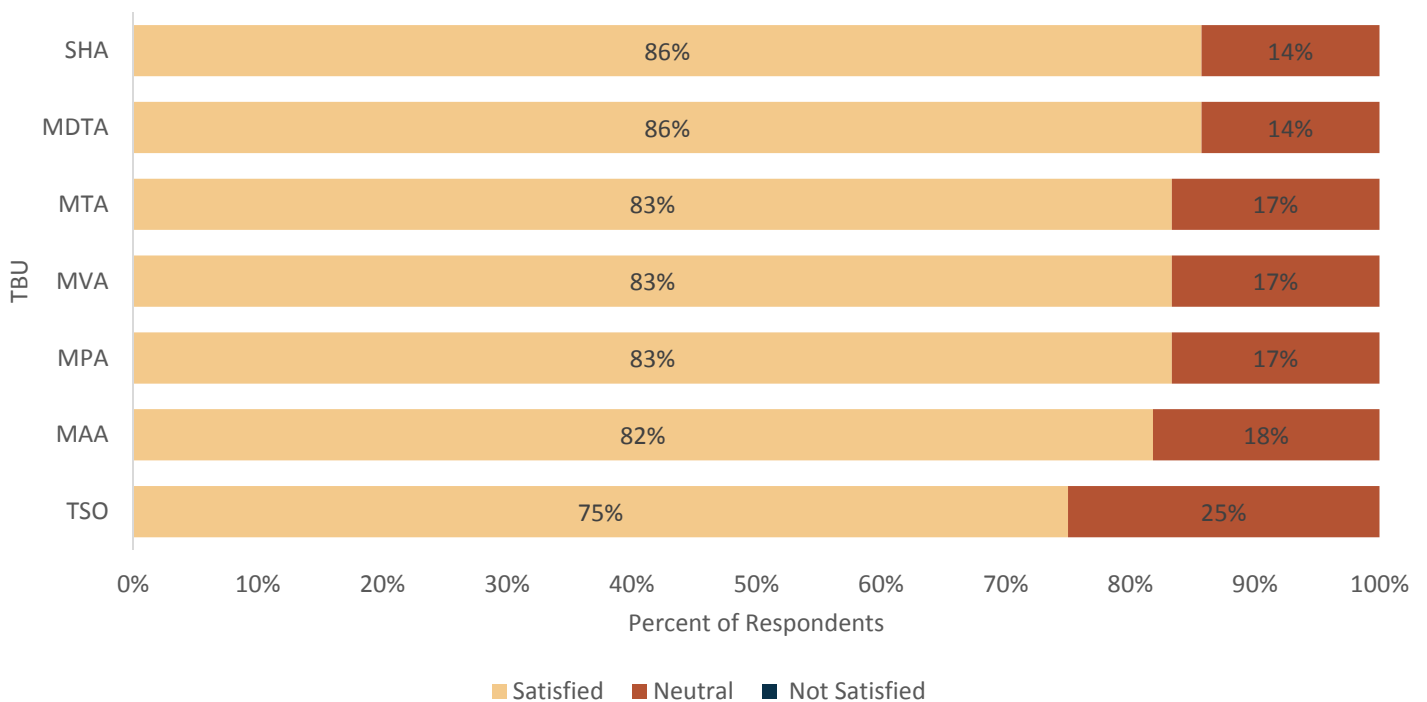
Tracking business partner satisfaction will allow MDOT to determine how satisfied partners are with current business processes. This performance measure is crucial to gauging MDOT's effectiveness in being fair and reasonable to its business partners. Partners include contractors, consultants, vendors, other State agencies, federal, State, and local governments, trade associations, commissions, etc. This data can be used to improve those processes that may be ambiguous or cumbersome, and make them more user-friendly. It is important that people who avail themselves of this opportunity know that their comments are taken seriously, and that MDOT is committed to meeting or exceeding business partner expectations.

This performance measure captures MDOT's business partner satisfaction through quarterly surveys. Each quarter, a certain business segment (i.e. Construction, IT, A&E, etc.) is selected to be surveyed and the results are then reported. Each business segment will be surveyed one time per year. This quarter we surveyed MDOT's Information Technology partners. Surveys are distributed via Survey Monkey.

**PERFORMANCE MEASURE 7.5**

Level of Satisfaction of Our Business Partners

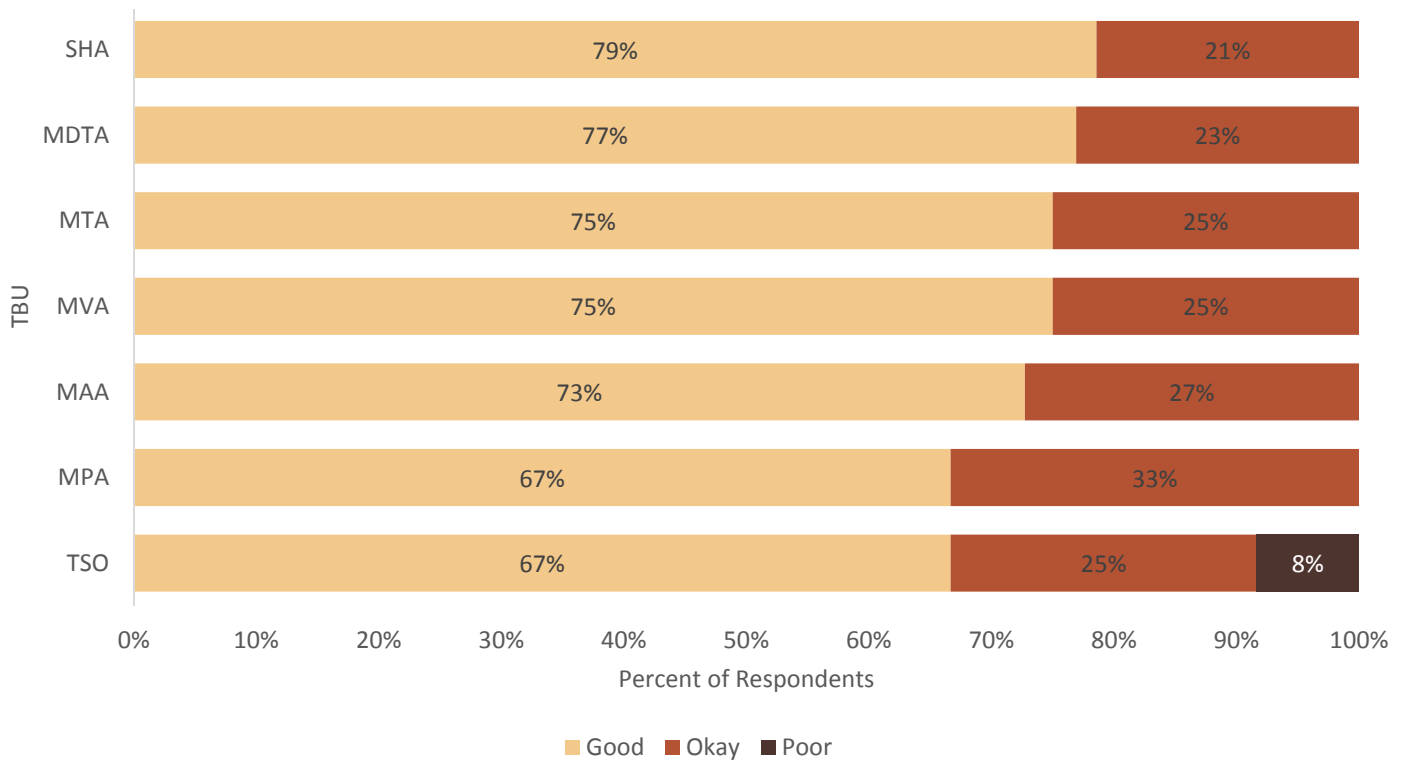
**Chart 7.5.1: Responses to “How satisfied are MDOT Information Technology Partners with the timeliness of payments after your invoice has been submitted?” CY2017**



## PERFORMANCE MEASURE 7.5

### Level of Satisfaction of Our Business Partners

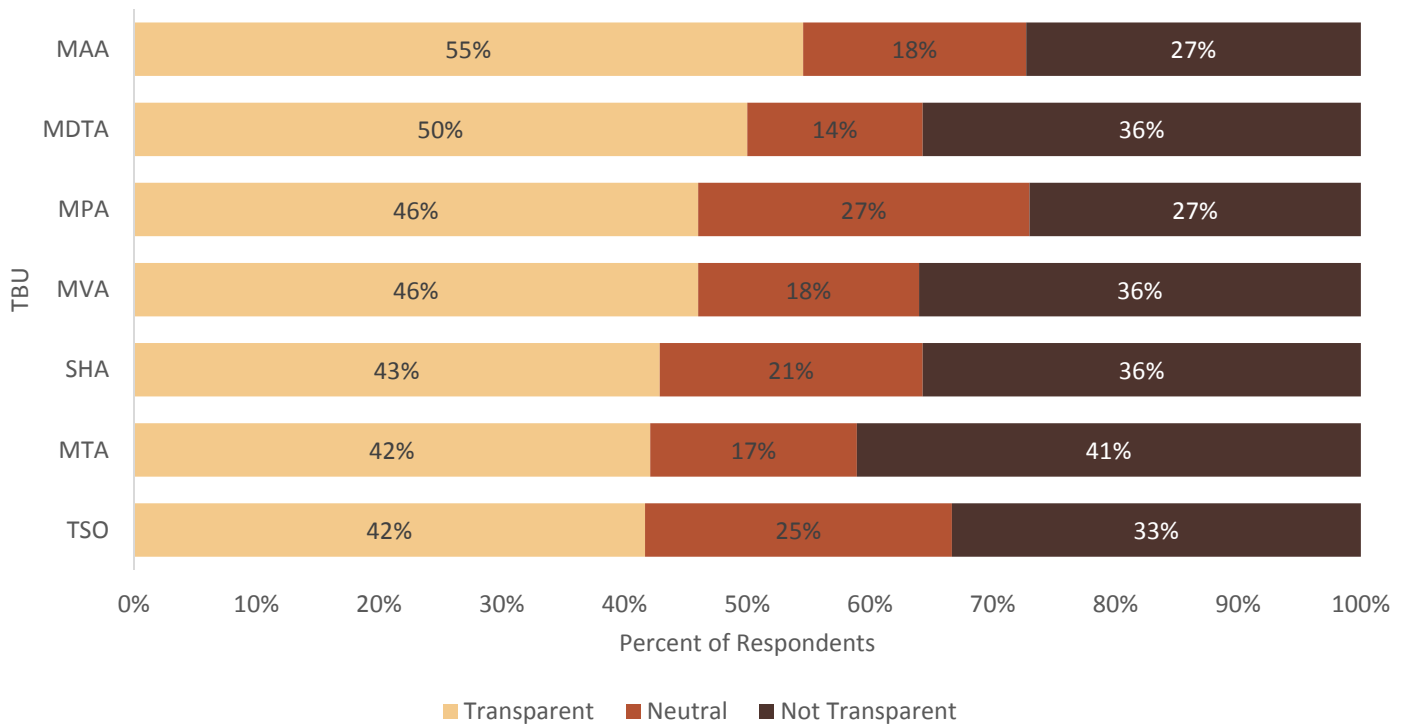
Chart 7.5.2: Responses to “How Fair and Reasonable are MDOT TBUs to Information Technology Partners in Management of MDOT contracts?” CY2017



**PERFORMANCE MEASURE 7.5**

Level of Satisfaction of Our Business Partners

**Chart 7.5.3: Responses to “How Transparent is the MDOT Procurement Process to Information Technology Partners?” CY2017**

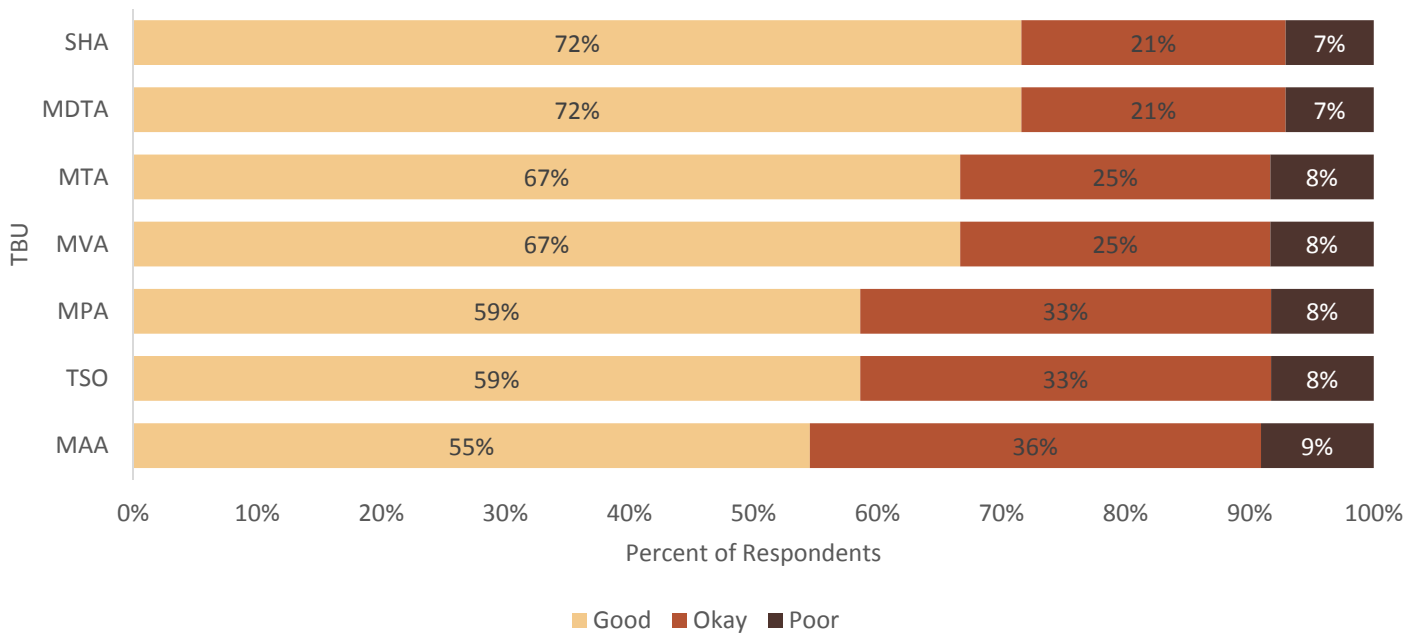




## PERFORMANCE MEASURE 7.5

### Level of Satisfaction of Our Business Partners

Chart 7.5.4: MDOT TBUs Rated as Business Partners to Information Technology Partners CY2017



**TANGIBLE RESULT DRIVER:**

Wanda Dade  
*State Highway Administration (SHA)*

**PERFORMANCE MEASURE DRIVER:**

David Lynch  
*Maryland Transit Administration (MTA)*

**PURPOSE OF MEASURE:**

To assess the number and percent of invoices properly paid to MDOT's partners in compliance with State requirements so MDOT can be responsive to business partners needs.

**FREQUENCY:**

Quarterly

**DATA COLLECTION METHODOLOGY:**

MDOT finance reports data monthly by TBUs.

**NATIONAL BENCHMARK:**

N/A

**PERFORMANCE MEASURE 7.6**

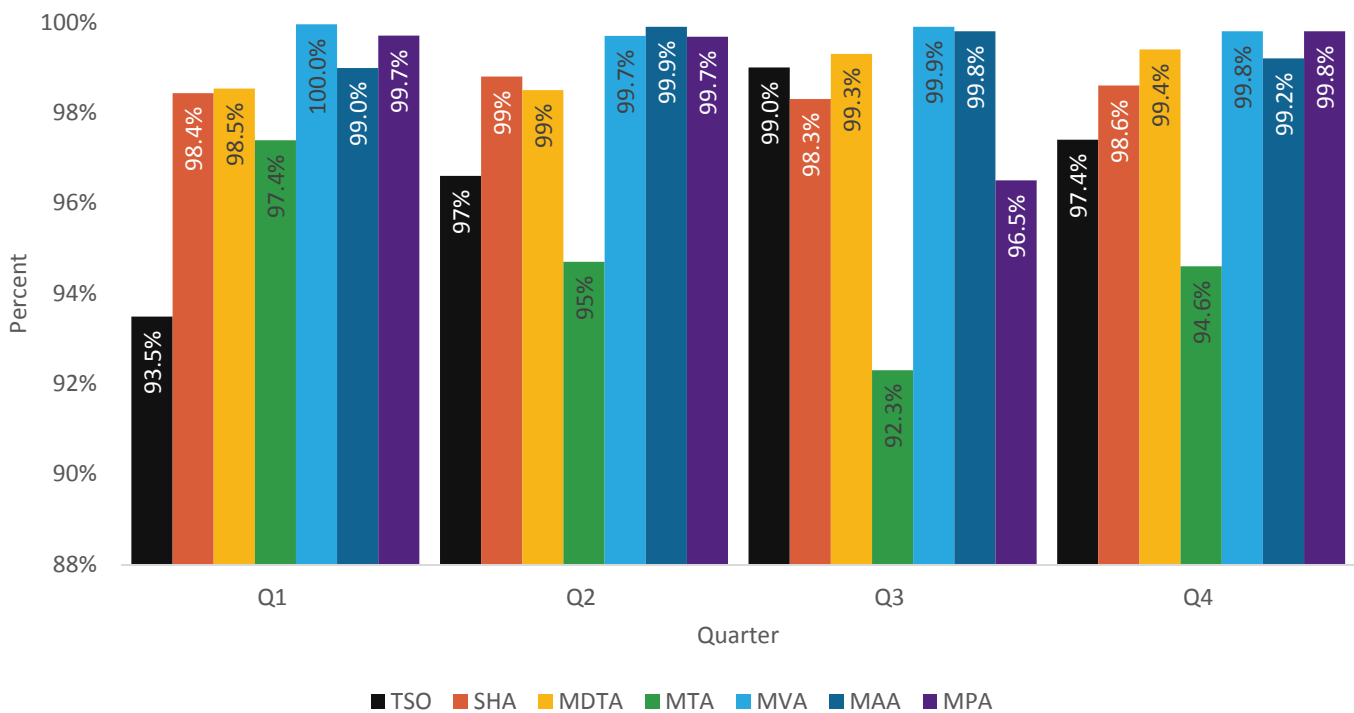
**Number and Percent of Invoices Properly Paid to Partners in Compliance with State Requirements**

MDOT will treat contractors fairly by promptly paying invoices. Contractors should be able to trust MDOT TBUs consistency of payment with a goal of paying invoices within 30 calendar days 99 percent of the time. For FY2016 MDOT achieved an on time payment rate of 98.62 percent. As of 4th quarter FY2016 data from MVA now only consists of vendor invoices.

## PERFORMANCE MEASURE 7.6

Number and Percent of Invoices Properly Paid to Partners in Compliance with State Requirements

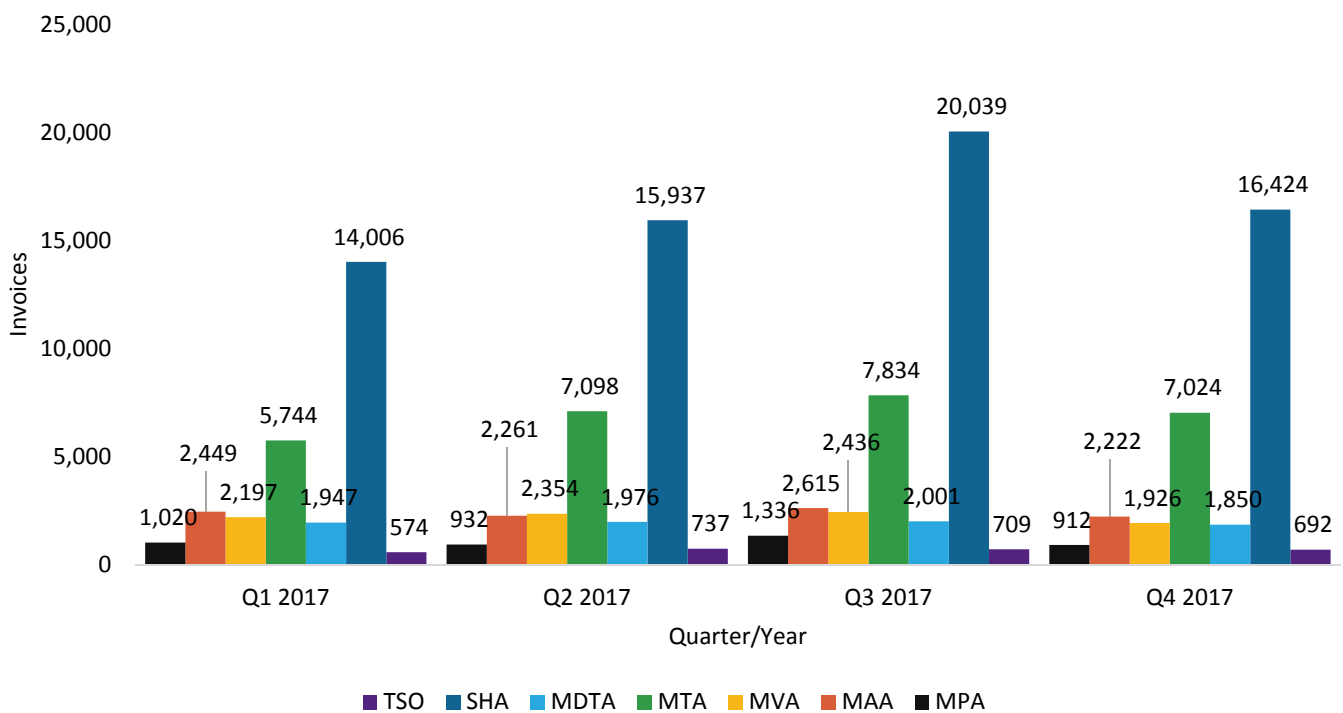
Chart 7.6.1: Percent of Invoices Properly Paid Within 30 Days of Invoices FY2017



**PERFORMANCE MEASURE 7.6**

Number and Percent of Invoices Properly Paid to Partners in Compliance with State Requirements

**Chart 7.6.2: Total Number of Invoices FY2017**



**TANGIBLE RESULT DRIVER:**

Wanda Dade  
*State Highway Administration (SHA)*

**PERFORMANCE MEASURE DRIVER:**

Mike Zimmerman  
*The Secretary's Office (TSO)*

**PURPOSE OF MEASURE:**

To determine what percentage of protests are legitimate and how MDOT can reduce the number of non-legitimate protests to create better solicitations for business partners.

**FREQUENCY:**

Quarterly

**DATA COLLECTION METHODOLOGY:**

MDOT TBU procurement departments report protest data to TSO Procurement on a monthly basis. Data is aggregated for reporting purposes.

**NATIONAL BENCHMARK:**

N/A

## **PERFORMANCE MEASURE 7.7**

### **Number of MDOT Procurement Protests Filed and Percent of Protests Upheld by the Board of Contract Appeals**

Minimizing protests and understanding how to avoid non-legitimate protests will enable MDOT to develop better solicitations and foster better relationships with business partners. Tracking contract protests will allow MDOT to determine how many protests are being filed without warrant, how many are legitimate, and how MDOT can create more concise solicitations for partners. The protest process is important because it allows a company doing business with the State to have confidence in the State's solicitation process by understanding that an aggrieved entity has the ability to be heard.

The TSO Office of Procurement (OOP) is collecting data from all the TBUs and is documenting the number of protests as well as the reason for the protest.

The TSO OOP will collect data regarding protests so that root cause and corrective/preventive action can be implemented. Currently there is not enough detail to determine the root cause.

**PERFORMANCE MEASURE 7.7**

Number of MDOT Procurement Protests Filed and Percent of Protests Upheld by the Board of Contract Appeals

**Chart 7.7.1: Running Twelve Month Procurement Protests by Quarter  
CY2016-CY2017**

