



Mayor's Office of Minority and Women- Owned Business Development



June 12, 2015

The Honorable President and Members
of the Baltimore City Council
Attn: Natawna Austin, Executive Secretary
City Hall, Room 409
100 N. Holliday Street
Baltimore, MD 21202

Re: City Council Bill 14-0455 – Minority and Women's Business Enterprises – Small Local
Business Enterprise Procurement Preferences

Dear President and City Council Members:

The Mayor's Office of Minority and Women-Owned Business Development (MWBD) has been asked to comment on City Council Bill 14-0455, Minority and Women's Business Enterprises – Small Local Business Enterprise Procurement Preferences. In principle, we are in support of this legislation with significant changes. The bill creates a small local business enterprise (SLBE) program within the Minority and Women's Business Enterprises Law to provide small, minority, and women-owned businesses that have a significant employee presence in Baltimore with more opportunities for City contracts thereby increasing revenue and capacity growth.

MWBD offers the following comments for consideration:

- Our belief is that the SLBE program should be a prime contracting program. Currently, this is prohibitive because the bill incorporates the SLBE program into the Minority and Women's Business Enterprises law, and mainly focuses on subcontracting, rather than being a stand-alone, race-neutral procurement program. The recently-completed disparity study, which documented the need for continuation of the City's MWBE program, also contained recommendations about implementing a small local business enterprise reserve program, explaining that such a program can be a critical tool to provide opportunities for small, minority and women-owned businesses to compete for prime contracts. In addition, the creation of a SLBE program and Small Business Reserve (SBR) program to increase prime contracting opportunities for small, minority and women-owned businesses were recommendations of the Mayor's Advisory Council on Minority and Women-Owned Business Enterprises, in its "New Day, Better Way" report of April 2013.
- The provision requiring setting goals for the SLBE program on a contract-by-contract basis should be reexamined because this lends itself to subcontracting, rather than prime contracting.
- Certification of small businesses needs to be examined as to how it should be administered. It should not be assumed that it should be administered within the Minority and Women's Business Opportunity Office (MWBOO).

- The bill requires MWBOO to appoint and chair five (5) goal setting committees with the purpose of creating a SLBE goal for the five (5) major industry categories, rather than applying a SLBE goal or mandate across City agencies (i.e., requiring the major procuring / contracting agencies to attain a 10% goal of their total procurement spend with SLBEs).
- There is a small prime contracting component in the bill; however the thresholds are too low (contract maximum not to exceed \$250,000 for SLBEs and \$50,000 for emerging SLBEs). We believe the contract amounts should be industry driven instead of applied across-the-board. Additionally, the agencies should determine what contracts are being set aside for SLBEs.
- The bill also includes evaluation and price preferences for SLBEs. The evaluation preference is for up to 20% of the total points for RFP evaluation purposes. A 20% advantage is significant and has the potential of allowing a vendor with much lower technical qualifications to be awarded a contract over better technically-qualified vendors and would not be in the best interests of the City. Providing a 10% preference of the total points for RFP evaluations would provide the small business with a better prospect of being awarded a contract, while also protecting the interests of the City.

As the City's primary advocate for small, local, minority and women-owned companies, MWBD looks forward to participating in upcoming work sessions and hearings on City Council Bill 14-0455. We applaud this effort to increase opportunities and capacity of small, minority and women-owned businesses. A successful small business program, in conjunction with a strong M/WBE program, is essential to the growth and sustainability of the City's economy. Again, this ties in with the work of the Mayor and the recommendations of the Mayor's Advisory Council on Minority and Women-Owned Business Enterprises around economic inclusion strategies.

Please do not hesitate to contact me should you have any questions.

Sincerely,



Christine Bivens
Director

cc: Colin Tarbert, Deputy Mayor for Economic and Neighborhood Development
Angela Gibson, City Council Liaison
Courtney Billups, Esq., Chief Solicitor, Minority and Women's Business Opportunity Office