



**MARYLAND**  
DEPARTMENT OF  
BUDGET & MANAGEMENT

*MARTIN O'MALLEY*  
Governor

*ANTHONY BROWN*  
Lieutenant Governor

*T. ELOISE FOSTER*  
Secretary

September 2, 2014

The Honorable C. Anthony Muse  
Senate Chair, Joint Committee on Fair Practices and  
Personnel Oversight  
304 James Senate Office Building  
Annapolis MD 21401-1991

The Honorable Adrienne A. Jones  
House Chair, Joint Committee on Fair Practices and  
Personnel Oversight  
312 House Office Building  
Annapolis MD 21401-1991

Dear Senator Muse and Delegate Jones:

Section 14-305(a)(1) of the State Finance and Procurement Article requires each agency to provide the Joint Committee on Fair Practices and Personnel Oversight a copy of their annual Minority Business Enterprise (MBE) Report. Attached is a copy of the Department's FY 2014 Annual MBE Report.

During FY 2014, a total of \$657,301 (8.08%) of DBM awards went to MBE prime contractors and subcontractors. DBM payments to MBE prime contractors and subcontractors exceeded \$8.4 million, an increase of almost 30% over FY 2013 payments. An additional \$62.8 million in payments were made to MBE subcontractors which are not included in the above reported payment total due to pro-rating requirements.

During FY 2013, the Department continued to work diligently on many fronts to further the goals of the State's MBE program. Within DBM we continued to:

- structure Departmental procurements to maximize the potential for MBE prime and subcontract opportunities;
- manage the statewide Audit Services Master Contract to maximize MBE awards;
- engage prospective prime contractors during the procurement process both to ensure that MBE goals were understood by potential vendors and to minimize the potential for MBE related proposal deficiencies;

~Effective Resource Management~

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- strengthen and improve the Department's MBE compliance by conducting MBE-focused contract kick off meetings for every new contract award with an MBE subcontract goal, conducting real-time monthly report monitoring and prompt payment reviews; and
- hold quarterly MBE compliance reviews with follow up meetings with contractors as required, and taking decisive actions to ensure compliance.

In our oversight capacity, DBM continued to:

- work diligently with State agencies to assure that their services procurements were structured to maximize MBE opportunities;
- document MBE compliance reporting for contract renewals and modifications; and
- promote the goals of the MBE program through training and information dissemination.

During the upcoming year, DBM will continue to make every effort to further the success of the State's MBE performance. If you would like additional information, you may contact Ms. Mary Naramore, Director, Procurement Policy and Administration at 410-260-7471 or [mary.naramore@maryland.gov](mailto:mary.naramore@maryland.gov).

Sincerely,



T. Eloise Foster  
Secretary

Enclosure

cc: David Smulski  
Mary Naramore  
Rebecca Burner

**MSAR 8530**