



Written Testimony of
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Before the
Maryland House of Delegates
Environment and Transportation Committee
HB313 and SB313 (cross filed)
“Public-Private Partnership Agreements – Minority Business Enterprise Programs”

House Office Building,
6 Bladen St. Annapolis, Maryland,
Tuesday, February 18, 2020

Good Morning Chairman Kumar Barve, Vice Chair Dana Stein and the distinguished members of the Environment and Transportation Committee. It is an honor to provide testimony for the House Bill 313 entitled “Public-Private Partnership Agreements – Minority Business Enterprise Programs”.

I am Sharon Roberson Pinder, the President and CEO of the Capital Region Minority Supplier Development Council. The Capital Region Council is an affiliate of the National Minority Supplier Development Council. Our Council, (local headquarters in Montgomery County), is the nation’s premier organization for minority businesses with over 12,000 certified minority business enterprises (MBEs) and 1400 corporations and governments as its members. I am also the operator of two grants from the Department of Commerce – Minority Business Development Agency. We also operate two of the 37 federal MBDA Centers located across this country. Our Federal Procurement Center operation is the only federally funded Center of its kind in the nation. I am also the former Special Secretary for the Governor’s Office of Minority Affairs for the State of Maryland.

As a Council we certify MBEs for the private sector and provide support in our quest to help businesses build capacity to become competitively viable businesses. We agree whole heartedly with bill sponsors Delegate Darryl Barnes and Senator Antonio Hayes.



We all know that contracts determine the success of companies. They bring in revenue, establish a track record of success, and allow businesses to grow.

Corporations and government agencies must have proactive strategies of contracting with businesses owned by historically marginalized communities.

A public-private partnership is a cooperative arrangement between two or more public and private sectors, typically of a long-term nature. It involves an arrangement between a unit of government and a business that brings better services or improves the city's capacity to operate effectively.

Generally, P3s tend to be more beneficial to the "private" partner than to the public partner. That is the basis for the minority community concern. If we don't benefit from the building of the project or if the P3 doesn't have a mandate for a minority ownership position, there is very little chance the minority community will see any direct benefit from the P3 other than use of the ultimate result project – but even that may be a fee-based usage.

P3 can be used for civil (i.e., transportation) and social infrastructure (i.e., Higher Education such as dorms). It should be for ALL civil and social infrastructure and should not be limited.

A true P3 involves Design, Build, Finance, Operations and Maintenance (DBFOM). These RFPs usually "ignore" the finance component for requirements. There are minority investment groups looking to play. Most notably, JLC (Johnson Loop Capital). Magic Johnson and Jim Reynolds, through their JLC venture, are looking to invest equity in quality projects. There are also minority investment bankers that can underwrite debt on these deals. MBE mandates usually forget about the finance (equity and debt) component. There are more firms coming, too.

Adding goals for finance should not reduce the goals for Design, Build, Operations & Maintenance. They should all be treated separately when pursuing MBE goals. Teams like to load up on construction and design and ignore operations & maintenance (because the sponsors want the contract solely to themselves).



Recently, we expressed a concern regarding exclusion of a P3 project in Prince George’s County. Our client portfolio represents a significant number of success minority contractors who were interested in participating on the project. After meeting with county officials, we were able to have the general contractors include minority contractors in the submissions of their proposals. The truth is, if we don’t advocate, it doesn’t happen.

We have seen proof that public policy dictates the behavior in the marketplace.

The minority community is part of the State, (i.e., the Public). The Public has demanded and the State has developed legislation for minority inclusion in its own projects. The P3 cannot exist without the Public and is the “biggest dog in the fight” from its land, eminent domain laws, easements, bonds, appropriations, etc. – without which the project doesn’t go anywhere. The Public’s rules for minority inclusion should automatically come with its partnership. No State, No Public, No Minority Inclusion, No Project. Simply put.

For those who say, “We can’t find...”, if the goals are established, the MBEs will be there. We just need to know we have a shot to play because corporate infrastructure to build these ships are expensive.

Thank you.

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