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OFFICE OF THE SECRETARY

BILL: Senate Bill 649
Procurement – Department of General Services – MBE Program
Compliance Officer

COMMITTEE: Senate Education, Health and Environmental Affairs

DATE: February 17, 2021

POSITION: Letter of Information

Upon review of Senate Bill 649 – Procurement – Department of General Services – MBE Program Compliance Officer, the Department of General Services (DGS) provides these comments for your consideration.

- Senate Bill 649 appears to **duplicate** the efforts and responsibilities of the Governor’s Office of Small, Minority and Women Business Affairs (GOSBA) and includes an additional reporting requirement of a detailed summary of the reasons provided by a unit head for granting each waiver of an MBE goal.
- Senate Bill 649 also appears to **duplicate** reporting of a unit’s MBE participation goals of its procurement contracts and the actual MBE participation (compliance) for that unit’s contracts at the end of the fiscal year along with any other relevant information required by the Board of Public Works (BPW).
- **DGS’s Office of State Procurement (OSP) does not have delegated control over all procurements in the State.** Therefore, it would be difficult for OSP to obtain MBE data for all procurements from all procuring units to complete the reports required under this bill. **The Governor’s Office of Small, Minority and Women’s Business Affairs (GOSBA) already has this authority.**
- Senate Bill 649 would have a **significant fiscal impact.** DGS estimates that the cost of establishing the Office will be **\$234,713 in FY 2022** and rise to **\$308,034 in FY 2026**. The above costs include creating **three full-time positions**, allocating and outfitting office space, acquiring equipment and supplies.



- DGS offers the following suggestions for increasing MBE participation:
 - Directed training for procurement officers on how to conduct a waiver request review in order to make a proper waiver request determination,
 - Require procurement officers to submit waiver requests and determinations to GOSBA for review before the agency head is requested to grant the waiver, and
 - Directed prime vendor training on how to conduct proper outreach to MBEs (as well as VSBEs) to acquire subcontractors as part of their bids or proposals.

For additional information, contact Ellen Robertson at 410-260-2908.