Maryland
GOVERNOR'S OFFICE OF SMALL, MINORITY & WOMEN BUSINESS AFFAIRS

MBE Program Subgoal Guidance

Effective August 1, 2020

Subgoals within the Minority Business Enterprise (MBE) Program are part of an ongoing effort to: remedy discrimination for minority- and women-owned businesses, ensure that various racial, ethnic and gender subgroups participate in contracting at levels that would be expected in the absence of discrimination, foster the overarching policy of diversity in contracting for the State; and promote further compliance with the State's MBE Program.

Consistent with the statutory requirements set forth at State Finance and Procurement Article, Section 14-302(a)(1)(ii) and the most recent Disparity Study[1], the Governor's Office of Small, Minority & Women Business Affairs is issuing this update to the State's MBE Program Subgoals.

The recommended subgoals outlined in the "MBE Program Subgoal Guidelines" shall be applicable to all Invitation for Bids (IFBs) and Request for Proposals (RFPs) issued on or after August 1, 2020. Similarly, task orders issued from Master Contracts post August 1, 2020 shall use the 2020 MBE Program Subgoal Guidelines, except where a contractor has committed to an overall goal and subgoals, as well as committed to specific MBEs in the MBE Forms, at the time of the Master Contract bid/proposal. In such an instance, new goals and subgoals should not be set.

Under the following limited circumstances, the 2011 Subgoal Guidelines remain in place:

- Any IFBs or RFPs advertised before August 1, 2020, even if not yet awarded.
- Multi-year contracts with established subgoals, which were issued prior to August 1, 2020, and are up for an optional renewal after that date, shall continue to use the 2011 Subgoal Guidelines.
- Task orders issued after August 1, 2020 under Master Contracts with established subgoals awarded prior to August 1, 2020

[1] Market Disparities in the Maryland Market Area, February 8, 2017
www.mdot.maryland.gov/newMDOT/MBE/Documents/2016%20MD%20Disparity%20Study.pdf

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I. Preliminary Considerations

As a threshold matter, the process for setting MBE contract goals and subgoals shall begin with the following considerations:

(1) Goals and subgoals shall be set on a contract-by-contract basis.

(2) Goals and subgoals shall only be set on contracts that actually have subcontracting opportunities.

(3) The unit shall examine the type of work involved in the contract.

(4) The unit shall determine whether there are certified MBEs available to perform the work.

II. Subgoal Process

Once an overall MBE participation goal is set for a contract, each unit shall determine the appropriate MBE Subgoals using the following MBE Subgoal Process:

(1) Determine the expected value of the procurement. The MBE Subgoal Process must be completed for any procurement expected to equal or exceed $200,000 in value, regardless of contract type or procurement category. This includes master contract task order procurements where MBE goals and subgoals are determined at the task order level. For procurements that are not expected to have a value that equals or exceeds $200,000, completion of the MBE Subgoal Process is discretionary.

(2) Identify the Major Industry Category encompassed by the contract. The Major Industry Categories, which are defined at COMAR 21.01.02.01, are listed below with the Combined Industry Category acronym pertinent to that industry:

Major Industry Category	Combined Industry Category
Architectural & Engineering	AE-CRS
Construction	Cons
Construction Related Services	AE-CRS
Human, Cultural, Social, & Educational Services	Serv
IT Services	IT
IT Supplies & Equipment	IT
Maintenance	Main
Services	Serv
Supplies & Equipment	CSE

(3) The Recommended Subgoals for each Combined Industry Category are set forth below in item II (7). Use of the Recommended Subgoals is subject to the parameters set forth it items II (4) through II (7).

(4) MBE Subgoals are only permissible when the overall goal for the contract is greater than or equal to the sum of the Recommended Subgoals for all Subgroups in the Combined Industry Category plus two (2). If the overall goal for the contract is not greater than or equal to the sum of the subgoals plus two (2), the unit may not apply any MBE Subgoals on that contract.

(5) A Recommended MBE Subgoal may not be set if the number of certified firms in the Subgroup who are available to perform the work on a contract is less than three (3). For purposes of determining the number of certified firms in a MBE Subgroup, always count dually certified firms as being owned by a member of the relevant racial or ethnic Subgroup, not as a woman-owned firm. **Note:** For purposes of counting MBE participation, bidders or offerors may use a dually certified firm to meet any subgoal they want.

(6) The Recommended MBE Subgoals should be evaluated for each Subgroup. If the Subgroup has three (3) or more certified firms who are available to perform the work on a contract, the Recommended Subgoal for that Subgroup should be set unless the unit explains the basis for not applying the Recommended Subgoal and the explanation relates to something specific in the Procurement Review Group documentation.

(7) If a bidder or offerror is unable to meet the overall goal and/or any subgoals established for a contract, the bidder or offerror may request a waiver and submit documentation demonstrating that it made good faith efforts to meet the overall goal and subgoals.

(8) Recommended MBE Subgoals are indicated in the following chart for the Subgroups with the greatest disadvantage or underrepresentation for each Combined Industry Category.

RECOMMENDED MBE SUBGOALS

Combined Industry Category / Subgroups	Cons	AE-CRS	Main	IT	Serv	CSE
African American	8%	7%	9%	10%	—	6%
Hispanic American	—	—	3%	—	2%	2%

Combined Industry Category / Subgroups	Cons	AE-CRS	Main	IT	Serv	CSE
Asian American	—	—	2%	—	3%	—
Women	11%	10%	—	10%	10%	8%
Subgoal Total	19%	17%	14%	20%	15%	16%
***Subgoal Total Plus 2% Margin**	21%	19%	16%	22%	17%	18%

*The Subgoal Total Plus 2% Margin is the sum of the Recommended Subgoals plus 2%.

(9) The MBE Program Subgoal Worksheet must be completed and signed for all procurements that have an overall goal.

Document information

Governor’s Office of Small, Minority & Women Business Affairs, MBE Program Subgoal Guidance