

ADMINISTRATIVE PROCEDURE

MINORITY BUSINESS PROCEDURES PUBLIC SCHOOL CONSTRUCTION PROJECTS

7149

Procedure No.

July 1, 2024

Date

I. PURPOSE:

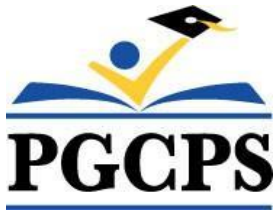
- A. To fulfill the intent of the law by setting goals for minority business enterprise (MBE) participation in every contract that includes State funding through the Public School Construction Program (PSCP). Local Educational Agencies (LEAs) such as Prince George's County Public Schools (PGCPS) shall attempt to achieve a minimum State goal of 29 percent and a Prince George's County Board of Education (Board) goal of an additional one (1) percent for a total of 30 percent of the total dollar value of all construction contracts is made directly or indirectly with certified minority business enterprises when State PSCP funds are utilized. Of the 30 percent, a minimum of 8 percent (8%) will be from certified African American-owned businesses, a minimum of 11 percent will be from certified Woman-owned businesses, and the balance will be from any certified minority business enterprises. All general contractors, including certified MBE firms, when bidding as general or prime contractors are required to attempt to achieve the MBE subcontracting goals from certified MBE firms.
- B. This MBE administrative procedure is applicable to all public school construction projects approved for partial State funding through the State PSCP

II. POLICY:

Planning and construction of new facilities, including additions and renovations to existing facilities, will be accomplished in compliance with the regulations and procedures as published by the Maryland Interagency Committee on School Construction (IAC), and in support of the Educational Facilities Master Plan (EFMP) as approved by the Prince George's County Board of Education (Board) and reviewed by the IAC. (Board Policy 7100)

III. BACKGROUND:

- A. In 1978, the Maryland General Assembly passed legislation which was signed into law to establish the State's Minority Business Enterprise Program. This new law established a goal that at least ten percent (10%) of each unit of State government's total dollar value of procurement contracts for purchases and/or contracts shall be awarded to minority business enterprises. The law was subsequently modified and the goal was increased to 14 percent. More recently, in 2020, the subgoals were revised with subcontracting subgoals of eight percent (8%) from certified African American-owned businesses and 11 percent from certified women-owned businesses.
- B. In 1979, the Board of Public Works revised the Rules, Regulations, and Procedures for the Administration of the School Construction Program to require each local board of education to adopt procedures to attempt to include minority business enterprises in



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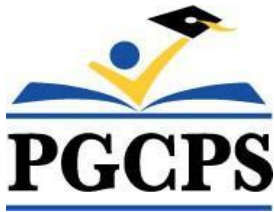
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State funded school construction projects. The State law was revised and now states: “The Interagency Committee on School Construction (IAC) shall require each local board of education to adopt procedures consistent with this chapter before obtaining funds for public school construction projects.” These procedures were approved by the Interagency Committee on School Construction on June 26, 2008, and amended on September 18, 2008, and shall be utilized by each public school system in Maryland as a condition for the receipt of State funds through the Public School Construction Program.

- C. In May 2007, the Rules, Regulations, and Procedures were replaced by regulations. The regulations concerning project procurement (COMAR 14.39.03) indicate that the State’s minority business enterprise goals and procedures apply to all State funded projects, irrespective of procurement method.
- D. This Minority Business Enterprise (MBE) administrative procedure document was originally developed in response to a requirement set forth in the Rules, Regulations, and Procedures for the Administration of the School Construction Program. The MBE requirement was originally established under HB 64, which was passed in the 1978 session of the Maryland General Assembly and signed into law as Chapter 575 of the Acts of 1978.
- E. Since the Board adopted its original Minority Business Enterprise Procedures, there have been changes in State statutes, regulations adopted by the Board of Public Works, procedural requirements, project eligibility requirements and the level of State participation in school construction projects. This revised administrative procedure is consistent with current legislation and the changes to the Code of Maryland Regulations (COMAR) requirements, effective November 7, 2005 and May 21, 2007.

IV. **DEFINITIONS:**

- A. *Certification* – Means the determination that a legal entity is a minority business enterprise consistent with the intent of Subtitle 3 of the State Finance and Procurement Article of the Annotated Code of Maryland.
- B. *Certified Minority Business Enterprise* – Means a minority business that holds a certification issued by the Maryland State Department of Transportation (MDOT).
- C. *Corporation* – As defined by MDOT, a *corporation* is an artificial person or legal entity created by or under the authority of the laws of any state of the United States, the District of Columbia or a territory or commonwealth of the United States and formed for the purpose of transacting business in the widest sense of that term, including not only trade and commerce, but also manufacturing, mining, banking, insurance, transportation and other forms of commercial or industry activity where the purpose of



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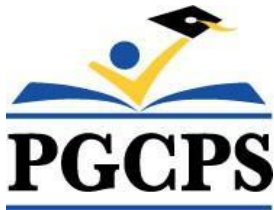
the organization is profit. For eligibility for certification, disadvantaged and/or minority individuals must own at least 51 percent of the voting stock and at least 51 percent of the aggregate of all classes of stock that have been issued by the corporation. (Note: stock held in trust is not considered as stock held by the disadvantaged businesspersons when computing the businessperson(s) ownership.)

D. *Managerial Control* – As defined by MDOT, *managerial control* means that a disadvantaged or minority owner(s) has the demonstrable ability to make independent and unilateral business decisions needed to guide the future and destiny of a business. Control may be demonstrated in many ways. For a minority owner to demonstrate *managerial control*, the following examples are put forth, but are not intended to be all inclusive:

1. Articles of Incorporation, Corporate Bylaws, Partnership Agreements, and other agreements shall be free of restrictive language which would dilute the minority owner's control thereby preventing the minority owner from making those decisions which affect the destiny of a business.
2. The minority owner shall be able to show clearly through production of documents the areas of the disadvantaged business owner's *managerial control*, such as, but not limited to:
 - a. Authority to sign payroll checks and letters of credit;
 - b. Authority to negotiate and sign for insurance and/or bonds;
 - c. Authority to negotiate for banking services, such as establishing lines of credit; and
 - d. Authority to negotiate and sign for contracts.
3. Agreements for support services that do not lessen the minority owner's managerial control of the company are permitted as long as the disadvantaged or minority business owner's authority to manage the company is not restricted or impaired.

E. *Minority Business Enterprise (MBE)* – Means any legal entity, except a joint venture, that is:

1. organized to engage in commercial transactions, and
2. at least 51 percent owned and controlled by one or more individuals who are socially and economically disadvantaged including:



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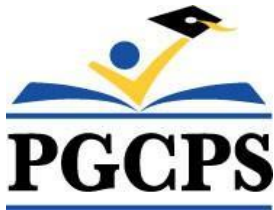
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- a. African Americans;
 - b. American Indian/Native Americans;
 - c. Asians;
 - d. Hispanics;
 - e. Physically or mentally disabled individuals;
 - f. Women; or
 - g. A non-profit entity organized to promote the interests of physically or mentally disabled individuals.
- F. *Minority Business Enterprise Liaison* - Means the employee of PGCPS designated to administer the Minority Business Enterprise Procedures (this administrative procedure) for State-funded public school construction projects.
- G. *Operational control* – As defined by MDOT, *operational control* means that the disadvantaged or minority owner(s) must possess knowledge necessary to evaluate technical aspects of the business entity. The primary consideration in determining *operational control* and the extent to which the disadvantaged or minority owner(s) operates a business will rest upon the specialties of the industry of which the business is a part. The minority owner should have a working knowledge of the technical requirements needed to operate in their industry. Specifically, in the construction industry and especially among small (one to five person firms) contractors, it is reasonable to expect the disadvantaged or minority owner(s) to be knowledgeable of all aspects of the business. Accordingly, to clarify the level of operational involvement which a minority owner must have in a business for it to be considered eligible, the following examples are put forth, but are not intended to be all inclusive:
1. The minority owner should have experience in the industry for which certification is being sought; and the minority owner should demonstrate that basic decisions pertaining to the daily operations of the business are independently made. This does not necessarily preclude the disadvantaged or minority owner(s) from seeking paid or unpaid advice and assistance. It does mean that the minority owner currently must possess the knowledge to weigh all advice given and to make an independent determination.
- H. *Ownership* – As defined by MDOT, *ownership* means that:



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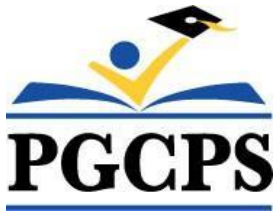
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1. The minority owner(s) of the firm shall not be subject to any formal or informal restrictions, which limit the customary discretion of the owner(s). There shall be no restrictions through, for example, charter requirements, by-law provisions, partnership agreements, franchise or distributor agreements or any other agreements that prevent the minority owner(s), without the cooperation or vote of any non-minority, from making a business decision of the firm.
2. This means that the disadvantaged or minority persons, to acquire their ownership interests in the firm, have made real and substantial contributions of capital, expertise or other tangible personal assets derived from independently owned holdings without benefit of a transfer of assets, gift or inheritance from non-minority persons. Examples of insufficient contributions include a promise to contribute capital, a note payable to the firm or its owners who are not minority persons or the mere participation as an employee rather than as a manager. If the ownership interest held by a disadvantaged or minority person is subject to formal or informal restrictions, such as options, security interests, agreements, etc., held by a non-minority person or business entity, the options, security interests, agreements, etc., held by the non-minority person or business entity must not significantly impair the disadvantaged or minority person's ownership interest.
 - I. *Partnership* – Means an unincorporated association of two or more persons to carry on as co-owners of a business for profit. For a *partnership* to be deemed eligible for certification under the MDOT Program, the disadvantaged or minority person's interest must be at least 51 percent of the *partnership* capital.
 - J. *Procurement Review Group* – The *Procurement Review Group (PRG)* shall review proposed procurement solicitations, proposals to exercise options or otherwise modify the contract, and proposals to award contracts when the resulting contract is: for evaluation of Minority Business Enterprise (MBE) participation goals when the total value is expected to exceed \$100,000. The *PRG* shall determine the appropriate socioeconomic utilization methods to encourage maximum minority-owned business participation in each proposed contract; and shall make recommendations to the solicitation's Purchasing Director concerning specific designations and/or participation goals.
 - K. *Public School Construction Program (PSCP)* – The *Public School Construction Program* was created as a result of a commission appointed in 1970 to study the need to revise the State aid foundation program for education and possible State funding of operating costs. The Interagency Committee on School Construction (IAC) was created in 1971 to oversee the *PSCP*, which was established and funded in fiscal year 1972. As of 2023, the IAC is an independent unit of State government as opposed to an independent unit of the Maryland State Department of Education.



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- L. *Socially and Economically Disadvantaged* – Means a citizen or lawfully admitted permanent resident of the United States who is *socially and economically disadvantaged*. The law establishes the level of personal net worth at \$1,500,000, above which an individual may not be found to be *socially and economically disadvantaged*.
- M. *Sole proprietorship* – As defined by MDOT, a *sole proprietorship* is a for-profit business owned and operated by a disadvantaged or minority person in their individual capacity. For a *sole proprietorship* to be deemed eligible for certification under the DBE/MBE Program, the disadvantaged or minority person must be the sole proprietor.

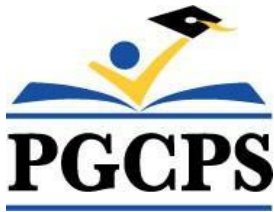
V. PROCEDURES

A. MBE Goal Setting

1. General Procedures

- a. The overall MBE goals and the subgoals, if appropriate, are established on a per-contract basis for the purposes of solicitation.
 - 1) Where a project consists of more than one contract, the individual contract goals and subgoals, if appropriate, should reflect the overall project goal and subgoals, if appropriate.
 - a) The MBE program requires that all race-neutral measures be considered before making use of race-based measures. Using a combination of race-neutral and race-based measures for each specific school construction project will help ensure that certified MBE firms are afforded the opportunity to submit bids and be utilized to the greatest extent possible.
 - 2) Race-neutral measures include any action taken by PGCPS to make it easier for all contractors, including MBEs, to compete successfully for public school construction project contracts. These measures might include widespread advertising of bidding opportunities, job fairs, and similar publicity events.
 - 3) Race-based measures include setting an overall MBE goal and MBE subgoals, if appropriate, based upon race, gender, ethnicity, etc., for a specific project.

2. General Considerations for Setting MBE Goal and Subgoal



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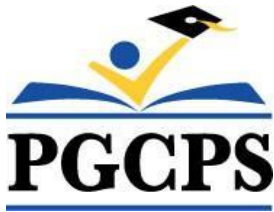
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- a. The overall MBE goal and the subgoals, if appropriate, should be set for each specific project contract, considering but not limited to, the following factors:
 - 1) The extent to which the work to be performed can reasonably be segmented to allow for MBEs to participate in the project contract;
 - 2) A determination of the number of certified MBEs that potentially could perform the identified work;
 - 3) The geographic location of the project in relationship to the identified certified MBEs;
 - 4) Information obtained from other State and local departments/agencies related to establishing a MBE goal and/or subgoals for similar construction projects or work in Prince George's County;
 - 5) Information obtained from other State and local departments/agencies related to MBE participation in similar construction projects or work in Prince George's County; and
 - 6) Any other activities or information that may be identified as useful and productive.
- b. PGCPS staff, including the MBE Liaison, procurement personnel, and project staff, as well as the project architect and cost estimator should consider the factors cited in section V.A.2.a.above when establishing the MBE goal and subgoals, if applicable, for each project or segmented piece of a project that are reasonable and attainable.
- c. It is recognized that by utilizing the factors cited in section V.A.2.a. above, the MBE goal and/or subgoals, if applicable, for a specific project or portion thereof may be significantly higher than the overall goals of the program (29%) overall, with 8% from African American-owned businesses and 11% from Women-owned businesses. It is also recognized and possible that there will be MBE goals set that are lower than those stated above or even that no MBE goal and/or subgoals will be set for a specific project or the segmented piece of the project.
- d. Assistance in reviewing the factors cited in section V.A.2.a. above and setting a goal and/or subgoals, if applicable, for specific projects



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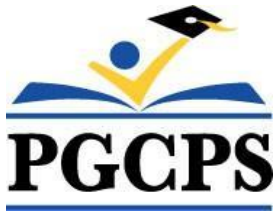
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or a segmented piece of a project can be obtained by contacting the Public School Construction Program and/or the Governor's Office of Minority Affairs (GOMA).

- e. The basis and rationale for establishing the MBE goal and subgoals, if applicable, should be summarized and recorded and submitted in written form to the PSCP for review while the Construction Documents are submitted to the State for review.
- f. For those projects that do not require a Construction Document submission and are over \$50,000, the basis and rationale for establishing the MBE goal and subgoals, if applicable, should be summarized and recorded and submitted in written form to the PSCP for review while the project is released for bids or proposals are solicited.

3. MBE Subgoal Setting Procedure

- a. Once an overall MBE participation goal is set for a project contract, each unit shall determine the appropriate contract subgoals.
- b. If the expected value of the procurement is not equal to or in excess of \$200,000, the Subgoal process is discretionary.
- c. All State-funded public school construction is classified as Construction in the Major Industry Category schedule established by regulation.
 - 1) Accordingly, subgoals for school construction projects receiving State funding participation apply to the following Subgroups:
 - a) African American: 8.0%
 - b) Women-owned: 11.0%
 - 2) Dually certified firms are to be counted as being owned by a member of the relevant ethnic Subgroup, not as a woman-owned business.
- d. Subgoals shall only be set when the overall goal is greater than or equal to the sum of the subgoals listed in section V.A.3., plus two (2), *i.e.*, the overall goal must be at least 21%; otherwise, no subgoals may be established for the contract.



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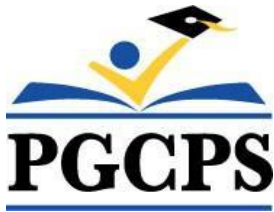
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- e. A subgoal may not be set if the number of certified firms in the Subgroup is less than three (3).
 - f. If the Subgroup has three (3) or more certified firms available to perform the work, the Recommended Subgoal should be set at the number specified above, unless a basis is provided in the Procurement Review Group documentation for not applying the specified subgoal.
 - g. For each procurement that has an overall goal, the MBE Goal Setting Model Analysis Form shall be completed and signed by the PGCPS Purchasing Director and MBE Liaison.
4. The Superintendent/designee shall establish one or more procurement review groups (PRG). The PRG must include at a minimum the MBE Liaison and the Purchasing Director or a representative from the procurement office. The PRG may also include a Capital Improvement Program manager, the project architect, the cost estimator, the Construction Manager, and/or other individuals selected by the Superintendent/designee.
- a. The PRG should communicate and/or meet as needed to consider the subcontracting goal and subgoals, if applicable, for individual projects or groups of projects.
 - b. The PRG should consider the factors cited in section 3 above when establishing the MBE goal and subgoals, if applicable, for each project or segmented piece of a project that are reasonable and attainable.
 - c. The PRG must complete and submit a written analysis for each State-funded school construction project with an estimated cost that is expected to exceed \$200,000.
 - 1) For State-funded projects that required review of construction documents, the written analysis and the MBE Program Worksheet (Appendix I) shall be submitted with the construction documents to the Interagency Commission on School Construction (IAC) and will be reviewed by the IAC for submission, appropriate signatures and correspondence between the goal and subgoals, if applicable indicated in the analysis and those of the procurement documents.
 - 2) For State-funded projects that do not require review of construction documents, the written analysis and the MBE Goal Setting Model Analysis Form shall be submitted to the PSCP, and will be reviewed for submission and appropriate signatures.



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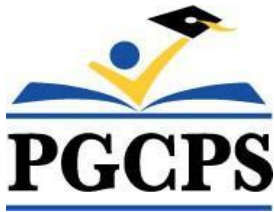
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- 3) For locally-funded projects that are anticipating to be requested for State approval of planning and funding, the written analysis and the MBE Program Worksheet shall be submitted with construction documents to the Maryland State Department of Education, and will be reviewed for submission, appropriate signatures, and correspondence between the goal and subgoals, if applicable, indicated in the analysis and those of the procurement documents. Submission of the documents is a pre-condition for recommendation for State approval of planning and funding when submitted in an annual CIP.
- d. For projects estimated to cost between \$50,000 and \$200,000 the same analysis form is to be completed and submitted. This could be a responsibility of the PRG, but could be performed by others as well.
 - 1) For State-funded projects that require review of construction documents, the written analysis and the MBE Program Worksheet shall be submitted with the construction documents to the DGS, and will be reviewed for submission, appropriate signatures, and correspondence between the goal and subgoals, if applicable, indicated in the analysis and those of the procurement documents.
 - 2) For State-funded projects that do not require review of construction documents, the written analysis and the MBE Program Worksheet shall be submitted to the PSCP and will be reviewed for submission and appropriate signatures.
- e. If the project cost is estimated to exceed \$200,000 then a copy of the written analysis shall also be sent to GOMA at the same time that the written analysis is submitted to the DGS or the PSCP.
- f. The PRG should consult with PGCPS's Office of General Counsel as needed.
5. It is recognized that by utilizing the factors cited in section 3 above, the MBE goal and/or subgoals, if applicable, for a specific project or portion thereof may be significantly higher than the overall goals of the program (29% overall, with 8% from African American-owned businesses and 11% from women-owned businesses). It is also recognized and possible that there will be MBE goals set that are lower than those stated above or even that no MBE goal and/or subgoals will be set for a specific project or the segmented piece of the project.



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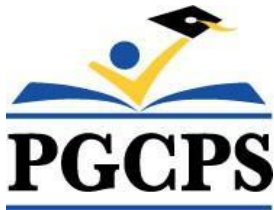
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6. Assistance in reviewing the factors cited above and setting a goal and/or subgoals, if applicable, for specific projects or a segmented piece of a project can be obtained by contacting the PSCP and/or GOMA.
- B. Implementing Procedures - \$50,000 or less: For construction projects estimated to cost \$50,000 or less, the following procedures will be utilized:
1. A MBE goal and/or MBE subgoals are not required to be set for contracts that are anticipated to be for \$50,000 or less.
 2. All advertisements, solicitations, and solicitation documents shall include the following statement:
 - a. "Certified Minority Business Enterprises are encouraged to respond to this solicitation."
 3. To encourage greater MBE participation, PGCPS staff should send out notices of potential projects and a specific project to MBEs to solicit bids or proposals directly from minority business enterprise contractors that are certified.
 4. A copy of the solicitation notice, preferably electronically, shall be sent to GOMA at the same time the advertisement for the solicitation is released.
 5. When a pre-bid or pre-proposal conference or meeting is held, the MBE Liaison or designated representative shall explain that all bidders or offerors are encouraged to utilize certified MBEs for the project or segments of the project.
 6. Upon request for a specific project, PGCPS shall provide one set of drawings and specifications (and addenda when issued) to minority business enterprise associations recognized by GOMA. They will be available free of charge to be picked up at the Louis Wilson, Sr. Facilities Administration Building by PGCPS. A review of the bid or proposal activity submitted by an association's members may be initiated to justify continuation of this service.
 7. Minority Business Enterprise forms identified in Section V.C. of this administrative procedure for projects over \$50,000, are not required to be submitted for these projects (\$50,000 or less).
 8. The names of prime contractors obtaining drawings and specifications will be shared with certified MBEs and MBE associations, upon request.



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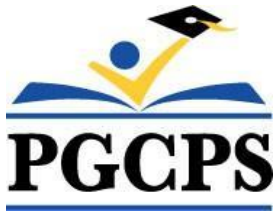
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9. At the time of the contract award, the MBE Liaison or a designated person will record any anticipated certified minority business enterprise participation data made available from the successful contractor.
 10. A business that presents itself as a minority business may participate in a project but may not be counted toward MBE participation until it is a certified minority business enterprise. If the MBE is not certified at the time of contract award, it may not be counted at that time. Only the funds paid after MDOT certification can be counted as MBE participation in the project. If a certified MBE fails to meet the standards specified in State Finance and Procurement Article 14-301(g) and (i), Annotated Code of Maryland, the payments made to the MBE can be recorded and counted under a contract entered into when the MBE was eligible and certified. Ineligibility of an MBE to participate in the MBE program may not be the sole cause of the termination of the MBE contractual relationship for the remainder of the term of the contract.
 11. The contractor will complete the Standard Monthly Contractor's Requisition for Payment (IAC/PSCP Form 306.4), specifically page 3 of 16, Minority Business Enterprise Participation, with each requisition submitted for payment. If certified MBE firms are known at the time of contract award their names and other appropriate information should be entered on page 3 of the first and all subsequent requisitions for payment. Any MBEs identified during the life of the project should be added as soon as the contractor engages them after approval by PGCPS.
 12. Upon completion of the project the contractor will provide a summary of the total of all funds paid to certified MBE firms. This should be within the contractor's final requisition for payment. The summary shall be forwarded to the PSCP with the close-out paperwork.
- C. Implementing Procedures - Over \$50,000: For construction projects estimated to cost in excess of \$50,000, the following procedures will be utilized:
1. All advertisements, solicitations, and solicitation documents shall include the following statements:
 - a. "Certified Minority Business Enterprises are encouraged to respond to this solicitation notice."
 - b. "The contractor or supplier who provides materials, supplies, equipment and/or services for this construction project shall attempt to achieve the specific overall MBE goal of ____ percent established for this project. All



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prime contractors, including certified or prime contractors, are required to attempt to achieve this goal from certified MBE firms.”

c. If subgoals have been established for the project, then one of the following should be included:

1) “The subgoals established for this project are ____ percent from African American-owned businesses and ____ percent from women-owned businesses.”

2) “The subgoal established for this project is ____ percent from African American-owned businesses.”

3) “The sub goal established for this project is ____ percent from women-owned businesses.”

a) “Notwithstanding any subgoals established above, the Contractor is encouraged to use a diverse group of subcontractors and suppliers from any/all of the various MBE classifications to meet the remainder of the overall MBE participation goal.”

b) "The bidder or offeror is required to submit with its bid or proposal a completed Attachment 1 (State Attachment A) – MDOT Certified MBE Utilization and Fair Solicitation Affidavit and Attachment 2 (State Attachment B) - MBE Participation Schedule, as described in the solicitation documents.”

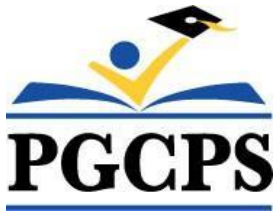
c) There is no overall MBE goal or MBE subgoals established for the project, then only 1.a. above is to be included.

d) The Bidder/Offeror is advised that liquidated damages will apply in the event the Contractor fails to comply in good faith with the provisions of the MBE program and pertinent Contract provisions (Refer to section D for additional info).

2. Other Advertisement and Outreach Requirements

a. To encourage greater MBE participation, PGCPS staff should send out notices of potential projects to MBEs or solicit bids or proposals directly from minority business enterprise contractors that are certified.

b. A copy of the solicitation notice, preferably electronically, shall be



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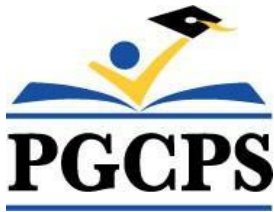
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sent to GOMA at the same time the advertisement for the solicitation is released.

- c. Upon request for a specific project, PGCPS shall provide one set of drawings and specifications (and addenda when issued) to minority business enterprise associations recognized by GOMA. They will be available free of charge to be picked up at the Louis Wilson, Sr. Facilities Administration Building designated by PGCPS. A review of the bid or proposal activity by an association's members may be initiated to justify continuation of this service.
 - d. When a pre-bid or pre-proposal conference is held, the MBE Liaison or designated representative shall explain the MBE goal and subgoals, if applicable; the MBE provisions of the solicitation; the documentation required at the time of submission; its relationship to the responsiveness of the bidder or offeror; how to complete the required attachments, particularly 1(A), 2(B), and 3(C); and additional information and supporting documentation that may be required after the bid or proposal opening. All contractors who attend the pre-bid or pre-proposal conference should receive a list or information explaining how to obtain a listing of certified MBE firms who could perform the work or have expressed an interest in performing the school construction work required for the specific project in Prince George's County.
 - e. The names of prime contractors obtaining drawings and specifications will be shared with certified MBEs and MBE associations, upon request.
 - f. The MBE Liaison, in conjunction with the Purchasing Director or project staff, should respond to all applicable questions and concerns relating to the project's MBE requirements completely and in a timely fashion to ensure that all potential contractors and subcontractors can compete effectively.
3. All Solicitation Documents Shall Include the Following
- a. "Certified Minority Business Enterprises are encouraged to respond to this solicitation notice." "All contractors, including certified MBE firms, when submitting bids or proposals as prime contractors are required to attempt to achieve the MBE goal and subgoals, if applicable, established for this project from certified MBEs."
 - b. "The contractor or supplier who provides materials, supplies, equipment and/or services for this construction project shall attempt to achieve the



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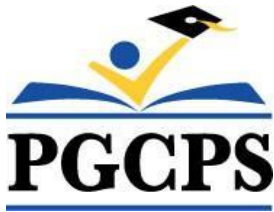
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result that a minimum of __ percent of the total contract value is with certified Minority Business Enterprises, with a minimum of __ percent from certified African American-owned businesses, a minimum of __ percent from certified women-owned businesses, and the balance from any certified Minority Business Enterprises. All contractors, including certified MBE firms, when submitting bids or proposals as prime contractors, are required to attempt to achieve the MBE goal and subgoals, if applicable, from certified MBEs.” Note: see section V.C.1.c. above for variations that may be required. Note: (Refer to section D for additional info)

- c. Each bid or offer submitted, including a submittal from a certified MBE in response to this solicitation, shall be accompanied by a completed Attachment 1 (State Attachment A) – MDOT Certified MBE Utilization and Fair Solicitation Affidavit and a completed Attachment 2 (State Attachment B) - MBE Participation Schedule. These two attachments must be accurate and consistent with each other.
- 1) Attachment 1 (State Attachment A) and Attachment 2 (State Attachment B) shall be submitted with the sealed bid price or proposal at a place, date, and time specified in the solicitation document.
 - 2) As an alternative, and at the discretion of PGCPS, Attachment 1 (State Attachment A) could be submitted with the sealed bid price or proposal at a place, date, and time specified in the solicitation document. The sealed bids or proposals received by the time specified could be held, unopened for a maximum of 30 minutes. Within that time (30 minutes) each bidder or offeror must submit Attachment 2 (State Attachment B), in a separate sealed envelope. The sealed price envelopes from each bidder or offeror who submits both the sealed bid and proposal and the envelope with Attachment 2 (State Attachment B) will then be opened and reviewed and recorded as a viable submission. Any contractor that fails to submit the second envelope, with Attachment 2 (State Attachment B), prior to the specified time allowed (30 minutes) after the submittal of the sealed bid or proposal will be deemed non-responsive and the sealed bid or proposal will not be opened or considered.
- d. The submittal of a completed and signed Attachment 1 (State Attachment A) MDOT Certified MBE Utilization and Fair Solicitation Affidavit and a completed and signed Attachment 2 (State Attachment B) - MBE Participation Schedule indicates the bidder’s or offeror’s



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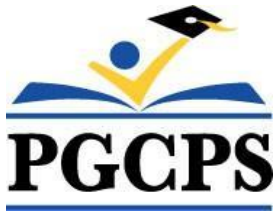
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recognition and commitment to attempt to achieve the MBE goal and/or MBE subgoals, if applicable, for the specific project.

- 1) The bidder or offeror recognizes that their efforts made to initiate contact, to solicit, and to include MBE firms in this project will be reviewed carefully and evaluated based upon the actions taken by them prior to and up to 10 business days before the bid or proposal opening. Follow-up actions taken by the bidder or offeror within the 10 business days prior to the bid opening will also be considered.
 - 2) Based upon this review and evaluation it will be determined, by the MBE Liaison, Purchasing Director, or a designated person, if a good faith effort was made by the apparent low bidder or apparent successful offeror.
- e. The bidder or offeror must check one of the three boxes on Attachment 1 (State Attachment A), which relates to the level of MBE participation achieved for the project. The bidder's or offeror's signature indicates that in the event that they did not meet the MBE goal or subgoals, if applicable, that:
- 1) They are therefore requesting a waiver, and
 - 2) Documentation of their good faith efforts will be provided to PGCPS staff within 10 working days of being notified that they are the apparent low bidder or apparent successful offeror.
- f. The bidder or offeror must submit Attachment 2 (State Attachment B) (as and when described above), which lists and provides information related to each certified MBE firm that the bidder or offeror will utilize on this project. A completed and accurate Attachment 2 (State Attachment B) is required. All the work specified to be performed by each MBE firm, the contact information, MDOT certification number, minority code, the dollar values, and percentages must be correct.
- g. Attachment 2 (State Attachment B) should be completed and submitted with all calculations utilizing the base bid or offer only. A revised Attachment 2 (State Attachment B) should be submitted by the successful bidder or offeror once a determination is made as to the acceptance and/or rejection of any alternates.
- h. If a request for a waiver has been made, the appropriate box on Attachment 1 (State Attachment A) has been checked and the



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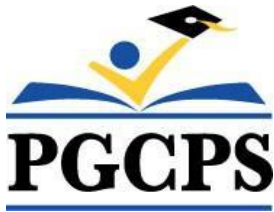
attachment signed, then PGCPS should obtain and review the apparent low bidder's or successful offeror's supporting documentation of the good faith efforts to justify the granting of the waiver, prior to submitting the contract award for approval to the Board.

- i. The following documentation shall be considered as part of the contract, and shall be furnished by the apparent low bidder or successful offeror to the MBE Liaison or designated person, within ten (10) working days from notification that the firm is the apparent low bidder or successful offeror:

- 1) A completed Attachment 4 (State Attachment D) - Minority Business Enterprise Subcontractor Project Participation Statement shall be completed and signed by the prime contractor and each MBE firm listed on Attachment 2 (State Attachment B) - MBE Participation Schedule and Attachment 3 (State Attachment C) - Outreach Efforts Compliance Statement shall be signed and completed by the bidder or offeror.
- 2) Notification for purposes of this administrative procedure means the earliest of the following methods of communication: orally in person, orally by telephone, orally by a telephone message, a faxed communication, a letter by date received or an electronic communication.
- 3) The ten (10) working days do not include the day the notification is received, weekends or holidays (State or Federal), but the material submitted must be received by the close of business on the tenth day.
- 4) The requirement to submit the above-listed documentation within the time frame specified will be considered by the IAC in its review of the request for contract award for the project. Failure to submit the required documentation within the time frame specified may result in a delay of the approval of the award of the contract, or the materials being returned without the approval of the award of the contract.

4. Waiver Procedures

- a. If the apparent low bidder or successful offeror has determined that they are unable to meet the overall MBE goal or subgoals, if applicable, for the project at the time of submission of a bid or offer, they must check either of the two boxes on Attachment 1 (State Attachment A). The



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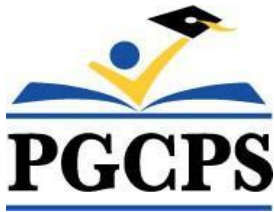
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signature recognizes and acknowledges that a request for a waiver is being made. The apparent low bidder or successful offeror will therefore be required to submit information and substantiating documentation that will be reviewed to justify the granting of a waiver.

- b. If the apparent low bidder or successful offeror is unable to achieve the overall MBE contract goal and/or the MBE subgoals, if applicable, from certified African American-owned businesses and/or from certified women-owned businesses, the apparent low bidder or successful offeror shall submit, within 10 working days from notification that the firm is the apparent low bidder or successful offeror, a completed Attachment 3 (State Attachment C) - Outreach Efforts Compliance Statement, Attachment 5 (State Attachment E) - Minority Subcontractors Unavailability Certificate, and Attachment 6 (State Attachment F) - MBE Waiver Documentation which shall include the following:
- 1) A detailed statement of the efforts made by the bidder or offeror to identify and select portions of the work proposed to be performed by subcontractors to increase the likelihood of achieving the stated goal;
 - 2) A detailed statement of the efforts made by the bidder or offeror prior to and up to at least ten (10) working days before the bid or proposal opening to solicit minority business enterprises through written notices that describe the categories of work for which subcontracting is being solicited, the type of work to be performed and specific instructions on how to submit a bid or proposal;
 - 3) Follow-up actions taken by the bidder or offeror within the 10 working days prior to the bid or proposal opening will also be considered;
 - 4) A detailed statement of the bidder's or offeror's efforts to make personal contact with MBE firms identified for item (2) above;
 - 5) A record of the name, address, telephone number and dates contacted for each MBE identified under items (2) and (3) above;
 - 6) A description of the information provided to MBEs regarding the drawings, specifications, and the anticipated time schedule for portions of the work to be performed;



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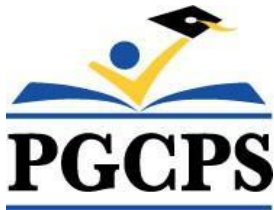
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- 7) Information on activities to assist MBEs to fulfill bonding requirements or to obtain a waiver of these requirements;
 - 8) Information on activities to publicize contracting opportunities to MBEs, attendance at pre-bid or pre-proposal meetings or other meetings scheduled by the MBE Liaison or designated representative; and
 - 9) As to each MBE that placed a subcontract quotation or offer which the apparent low bidder or successful offeror considers not to be acceptable, a detailed statement of reasons for this conclusion.
- c. In addition to any waiver documentation, the apparent low bidder or successful offeror shall submit one completed Attachment 4 (State Attachment D) - Subcontractor Project Participation Statement for each MBE firm that will participate in the project consistent with the information previously provided at the time of the submission of Attachment 2 (State Attachment B – original) or the revised Attachment 2 (State Attachment B – revised).
- d. A waiver of an MBE contract goal or subgoal, if applicable, may be granted by PGCPS only upon receipt of Attachment 3 (State Attachment C) - Outreach Efforts Compliance Statement, Attachment 5 (State Attachment E) - Minority Subcontractors Unavailability Certificate, and Attachment 6 (State Attachment F) - MBE Waiver Documentation as described above in items 1) through 9).
- 1) The MBE Liaison will review and accept or reject the minority business enterprise material that is submitted, and may obtain legal advice or assistance from their attorney.
 - 2) The MBE waiver request may not be considered unless all of the documentation specified above has been submitted in a timely fashion by the apparent low bidder or successful offeror.
 - 3) Assistance in the review of a request for a waiver (the documentation and justifications) may be requested from the PSCP and/or GOMA.
 - 4) If a determination is made that the apparent low bidder or successful offeror did make a good faith effort, based upon a review of the documentation submitted, then the waiver must be granted. The award of contract shall then be made. The material and information



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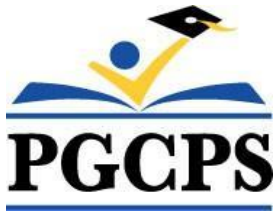
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submitted, including PGCPS's review and analysis notes and conclusion, shall be retained in the project file.

- 5) If a determination is made that the apparent low bidder or successful offeror did not make a good faith effort, based upon a review of the documentation submitted, then the waiver should not be granted. The material and information submitted, including PGCPS's review and analysis notes and conclusion, shall be retained in the project file. The award of contract shall then be made to the next lowest bidder or offeror, who meets the contractual requirements, including the MBE requirements.
- 6) When a waiver is granted, a copy of Attachment 5 (State Attachment E) - MBE Waiver Documentation, accepted and signed by a PGCPS representative and with the reasons for the determination, shall be forwarded to GOMA and the PSCP within ten (10) working days after approval of the contract award by the Board. Failure to submit the required documentation within the time frame specified may result in delayed approval of the award of contract by the IAC.

5. All Contracts Shall Include the Following

- a. "The contractor shall perform the contract in accordance with the representations made in Attachment 1 (State Attachment A) Certified Minority Business Enterprise Utilization and Fair Solicitation Affidavit and Attachment 2 (State Attachment B) - MBE Participation Schedule, submitted as part of the bid or proposal."
- b. "Failure to perform the contract as specified and presented in the bid or proposal submission without prior written consent of the owner shall constitute a violation of a material term of the contract."
 - 1) The contractor shall structure their operations for the performance of the contract to attempt to achieve the MBE goals as stated in the solicitation document.
 - 2) The contractor agrees to use their best efforts to carry out these requirements consistent with the efficient and effective performance of the contract.
 - 3) The contractor must ensure that all certified MBEs shall have maximum practical opportunity to compete for additional subcontract work under the contract, even after the award of the



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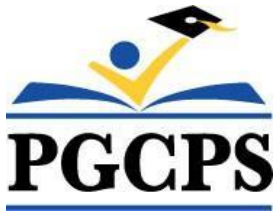
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contract.

- 4) The contractor shall submit monthly to the MBE Liaison or PGCPS's designated representative a report listing any unpaid invoices, over 30 days old, received from any certified MBE subcontractor, the amount of each invoice and the reason payment has not been made.
- 5) The contractor shall include in its agreements with its certified MBE subcontractors, a requirement that those subcontractors submit monthly to the MBE Liaison or appropriate representative a report that identifies the prime contract and lists all payments received from the contractor in the preceding 30 days, as well as any outstanding invoices, and the amount of those invoices.
- 6) The contractor shall cooperate in any reviews of the contractor's procedures and practices with respect to minority business enterprises, which the MBE Liaison, the PSCP, and/or GOMA may, from time to time, conduct.
- 7) The contractor shall maintain such records as are necessary to confirm compliance with its MBE participation obligations. These records must indicate the identity of certified minority and non-minority subcontractors employed on the contract, the type of work performed by each, and the actual dollar value of work performed. Subcontract agreements documenting the work performed by all MBE participants must be retained by the contractor and furnished to the MBE Liaison and/or appropriate representative on request.
- 8) All records concerning MBE participation must be retained by the contractor for a period of five (5) years after final completion of the contract and will be available for inspection by the MBE Liaison, representatives from the PSCP and/or other designated official entities.
- 9) At the option of the MBE Liaison or appropriate agency representative, upon completion of the contract and before final payment and/or release of retainage, the contractor shall submit a final report in affidavit form and under penalty of perjury, of all payments made to, or withheld, from MBE subcontractors.
- 10) If at any time after submission of a bid or proposal and before



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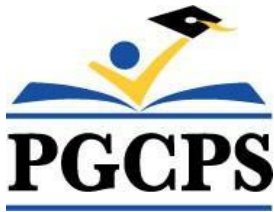
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execution of a contract, the apparent successful bidder or offeror determines that a certified MBE listed on Attachment 2 (State Attachment B) - MBE Participation Schedule has become or will become unavailable, then the apparent successful bidder or offeror shall immediately notify the MBE Liaison and provide such officer with a reason(s) why the change is requested. Any desired change in Attachment 2 (State Attachment B) - MBE Participation Schedule shall be approved in advance by the MBE Liaison and shall indicate the contractor's efforts to substitute another certified MBE subcontractor to perform the work. Desired changes may occur only upon written approval by PGCPS.

- 11) A business that presents itself as a minority business may participate in a project but the contract value may not be counted toward the MBE goal or subgoals, if applicable, until the business is certified by MDOT. If it is not certified at the time of contract award it may not be counted toward the goal or subgoals, if applicable, at that time. Only the funds paid after MDOT certification can be counted toward meeting the MBE goal or subgoals, if applicable. If a certified MBE fails to meet the standards specified in State Finance and Procurement Article 14-301.1, Annotated Code of Maryland, the payments made to the MBE can be recorded and counted under a contract entered into when the MBE was eligible and certified. Ineligibility of an MBE to participate in the MBE program may not be the sole cause of the termination of the MBE contractual relationship for the remainder of the term of the contract.
- 12) Contractors are encouraged to seek additional MBE participation in their contracts during the life of the project. Any additional MBE participation from certified MBEs should be reported to the MBE Liaison prior to initiation and should be included in subsequent monthly requisitions for payment.
- 13) The contractor shall complete the Standard Monthly Contractor's Requisition for Payment (IAC/PSCP Form 306.4), specifically Attachment 8 (State Attachment H), Minority Business Enterprise Participation, with each requisition submitted for payment. This submittal should accurately reflect the payments to be made that month to MBEs, and the cumulative total for the period specified. Any and all MBE firms that are identified on Attachment 2 (State Attachment B) – MBE Participation Schedule should be included on Attachment 8 (State Attachment H) of the first and all subsequent requisitions for payment. Any MBEs identified during



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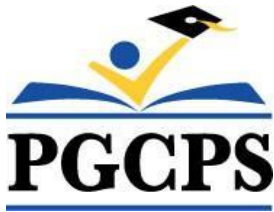
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the life of the project should be added as soon as the contractor engages them.

- 14) At the completion of the project the contractor shall prepare a written summary of the final certified MBE participation in the contract as compared to the proposed participation at the time of contract award. This should include the name of each certified MBE, the percentage and amount that was anticipated to be paid at the time of contract award, the percentage and amount actually paid, and an explanation of any differences that have occurred. Special attention should be given to any situations where the final payment(s) to any MBE was below the level of commitment at the time of contract award. The summary shall be forwarded to PGCPS with the final requisition. PGCPS shall include this documentation with the submittal of the close-out paperwork to the PSCP.
 - c. Liquidated Damages – “All Contracts containing certified MBE participation goals shall contain a liquidated damages provision that applies if the contractor fails to comply with good faith with the provisions of State MBE laws or the pertinent terms of the procurement contract.”(Refer to section D for additional info)
6. Projects Utilizing a Construction Manager Delivery Method
- a. This section of the administrative procedure has been prepared based upon the utilization of the Construction Manager Agency method of delivery. If another alternative method of project delivery is being considered, then these procedures would need to be adapted in consultation with the PSCP before proceeding.
 - 1) For projects that are being designed and solicited utilizing a Construction Manager Agency delivery method with multiple prime contracts, PGCPS can structure its procedures to attain the overall MBE goal and subgoals, if applicable, for the project as presented below.
 - 2) The MBE Liaison and other PGCPS staff should work with the project’s construction manager, cost estimator, and architect, along with any other individuals who could provide assistance, to determine the overall MBE utilization strategy for the work required, appropriate bid packages, and an appropriate overall MBE goal and subgoals, if applicable, for each specific bid or proposal package.



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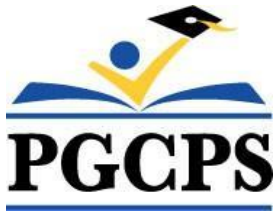
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- 3) The overall MBE goal and subgoals, if applicable, for the project shall represent the aggregate of the individual goals and subgoals, if applicable, set for each bid or proposal package.
 - 4) In setting the specific goals and subgoals, if applicable, for each solicitation package, consideration should be given to the potential for MBE participation to the maximum extent possible. The information and procedures provided in Section V.A. MBE Goal Setting should be consulted and followed for these types of projects.
 - 5) Prior to submitting the construction documents for State review and authorization to solicit bids or proposals, PGCPS's representative will prepare a complete list of the individual solicitation packages and indicate the MBE goal and subgoals, if applicable, for each solicitation package. This would include the overall MBE goal and subgoals, if applicable, established in the solicitation documents, the estimated cost for each solicitation package, and the estimated MBE dollar amounts for each solicitation package. A copy of this list should be submitted with the construction documents. The list should be retained as a record by PGCPS for comparison to the actual contracts awarded with MBE participation, and the final actual MBE participation at the completion of the project.
 - 6) Contractors submitting bids or proposals for solicitation packages that do not include a MBE goal and subgoals, if applicable, would not be required to submit any of the MBE attachments that are otherwise required, nor would they be required to indicate that they are requesting a waiver. The PGCPS representative would, however, request information from the contractor at the completion of the project to determine if any certified MBE firms had participated in the contract.
 - 7) All other submittals of MBE materials and reporting requirement are applicable for the project, including the submittal of Attachments 1 (State Attachment A) and 2 (State Attachment B) as described above in Section V.C. This includes the documentation for a request for a waiver, if applicable and appropriate.
7. Projects Utilizing an Indefinite Delivery/Indefinite Quantity (IDIQ) or Job Order Contracting (JOC) Method of Delivery



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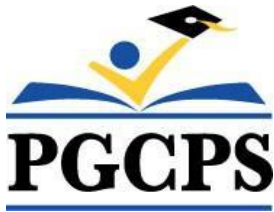
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- a. The solicitation should be prepared and the overall MBE goal and subgoals, if applicable, established based upon the type of work that is anticipated to be specified or performed under the contract and the availability of certified MBEs. This could include an analysis of the percentages of the different types of work, the estimated dollar value in the entire contract, and the availability of MBEs.
- b. If an overall goal and subgoals, if applicable, are set the bidders or offerors would be required to submit Attachment 1 (State Attachment A) Certified Minority Business Enterprise Utilization and Fair Solicitation Affidavit in which they could indicate their anticipated MBE participation based upon the entire contract amount and the types of work specified. The award of contract can be made based upon their estimate of MBE participation since there is no specific task order or description of work to be performed and subcontractors have not been identified or engaged through any type of commitment or subcontract.
- c. Since MBE participation is only anticipated in a general sense as an objective and specific contract to MBEs have not been signed, then the contract award would not be included in any reporting to the PSCP or subsequent reporting to GOMA.
- d. However, as the contract proceeds and individual task orders and/or purchase orders are issued, the contractor should submit Attachment 2 (State Attachment B) - MBE Participation Schedule for any and all projects or work where MBE subcontractors and/or suppliers might reasonably be utilized. Discussions between the contractor or offeror and PGCPS as the task orders and/or purchase orders are being developed should address this aspect of the contract requirements.
- e. Any MBE participation should be recorded by the MBE Liaison and reported to the PSCP as the task orders and/or purchase orders are approved.
- f. The contractor shall complete the Standard Monthly Contractor's Requisition for Payment (IAC/PSCP FORM 306.4), specifically page 3 of 16, *Minority Business Enterprise Participation*, with each requisition submitted for payment. This submittal should accurately reflect the payments to be made that month to MBEs, and the cumulative total for the period specified. Any and all MBE firms that are identified on Attachment 2 (State Attachment B) - MBE Participation Schedule should be included on page 3 of the first and all subsequent requisitions



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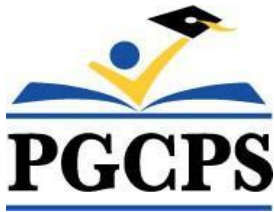
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for payment. Any MBEs identified during the life of the project should be added as soon as the contractor engages them.

- g. At the completion of the contract period or the full utilization of the contract's value, a report should be prepared by the MBE Liaison and submitted to the PSCP summarizing the MBE participation in each and all of the task orders or purchase orders issued under the contract. This should include the anticipated MBE participation prior to the issuance of the solicitation, the MBE participation anticipated at the time of contract award and the actual MBE participation at the completion of the contract. The summary shall be forwarded to PGCPS with the final requisition. PGCPS shall include this documentation with the submittal of the close-out paperwork to the PSCP.

8. Projects Utilizing the Design/Build Delivery Method

- a. The solicitation is for both A/E (Architectural/Engineering) services and the actual construction of a public school project. The solicitation should be prepared and the MBE goal and subgoals, if applicable, established for the construction work that is anticipated for the project. The goal setting procedures described in Section V.A. above should be utilized for these types of projects.
- b. The bidders or offerors should be required to submit Attachment 1 (State Attachment A) – Certified Minority Business Enterprise Utilization and Fair Solicitation Affidavit on which they would indicate their anticipated MBE participation based upon the construction work anticipated and their understanding of the MBE goal and subgoals, if applicable, the types of work involved, and the availability of certified MBEs for the project. Since there are no detailed plans or designs for the project and there are no contracts or subcontracts for the actual construction work there is no need to submit any other MBE attachments, currently.
- c. If the bidder or offeror, who is to be awarded this contract, has indicated that they do not anticipate achieving the overall MBE participation goal and subgoals, if applicable, for this project on Attachment 1 (State Attachment A), then they are in effect requesting a waiver. They will be required to submit documentation later to justify this request.
- d. As the project proceeds through the design phase and the project is nearing the completion of the construction documents for submission to the State to review, the Design/Build Team (team) in consultation with



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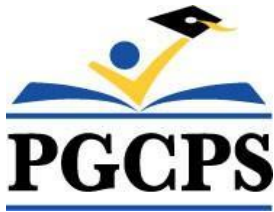
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PGCPS representatives should discuss the opportunities and potential for certified MBEs to participate in the project.

- e. The team should begin to identify potential contractors and subcontractors, opportunities to segment the project, and MBEs that could participate in the project.
- f. At a point in time that is approximately 30 days prior to the anticipated construction documents (CD) submission to the State, the team should complete and submit Attachment 2 (State Attachment B - revised) - MBE Participation Schedule to PGCPS for their review and approval.
- g. If the team had indicated on Attachment 1 (State Attachment A) that they would meet the goals and the information on Attachment 2 (State Attachment B - revised) indicates that they did meet the goals then the team should proceed with the construction of the project.
- h. If the team had indicated on Attachment 1 (State Attachment A) that they did not anticipate meeting the overall MBE goal and subgoals, if applicable, or only a portion of the goal and subgoals, if applicable, then Attachment 2 (State Attachment B) – MBE Participation Schedule, Attachment 3 (State Attachment C) – Outreach Efforts Compliance Statement, Attachment 5 (State Attachment E) – Minority Subcontractors Unavailability Certificate, and Attachment 6 (State Attachment F) – MBE Waiver Documentation should be requested by PGCPS. The team should, at this time, submit their documentation in support of the waiver requested.
- i. The proposed MBE participation should be reviewed and a determination made as to whether the team has made a good faith effort to meet the MBE goals and subgoals, if applicable, established for the project and as stated on Attachment 1 (State Attachment A), and previously submitted.
- j. If a request for a waiver is made and approved, Attachment 6 (State Attachment F) – MBE Waiver Documentation should be signed by a PGCPS representative and submitted to the PSCP and GOMA.
- k. Since there was no MBE participation reported at the time of the award of the Design/Build contract, PGCPS would submit the entire package of information, including all the MBE related attachments to the PSCP within ten (10) working days of the team being directed to proceed with the actual construction work.



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1. All other submittals of MBE materials and reporting requirements are applicable for the project, as described above in Section V.B.

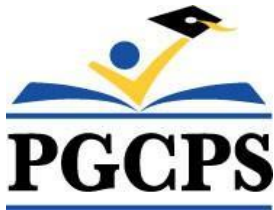
D. Liquidated Damages / Failure to Perform Work

1. Every contract that includes MBE participation goals must contain a liquidated damages provision in the event that the prime contractor does not comply in good faith with its MBE participation commitments.
2. The successful bidder/offeror accepts this contract with the understanding that should they fail to complete the work in an acceptable manner and in the time stated, they shall be subject to the payment of liquidated damages as stated in the bid document.

a. Liquidated Damages Schedule

<u>Total Contract Amount</u>	<u>Amount Per Day</u>
\$25,000 and under	\$100.00
\$25,000 - \$100,000	\$250.00
\$100,000- \$500,000	\$500.00
\$500,000- \$1,000,000	\$550.00
\$1,000,000-\$2,500,000	\$750.00
\$2,500,000-\$5,000,000	\$1,000.00
\$5,000,000-\$10,000,000	\$1,500.00
\$10,000,000-\$15,000,000	\$2,000.00
\$15,000,000 and More	\$2,500.00

3. Governor’s Office of Minority Affairs Liquidated Damages Provision for State-Funded Contracts Containing Minority Business Enterprise Participation Goals
 - a. “Liquidated Damages.” This contract requires the contractor to make good faith efforts to comply with the Minority Business Enterprise (“MBE”) Program and contract provisions. PGCPS and the Contractor acknowledge and agree that PGCPS will incur damages, including but not limited to loss of goodwill detrimental impact on economic development, and diversion of internal staff resources, if the Contractor does not make good faith efforts to comply with the requirements of the MBE contract provisions. The parties further acknowledge and agree that the damages PGCPS might reasonably be anticipated to accrue as a result of such lack of compliance are difficult to ascertain with precision.



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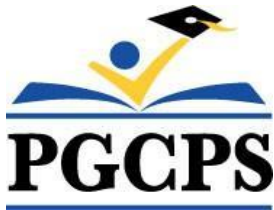
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- b. Therefore, upon a determination by PGCPS that the Contractor failed to make good faith efforts to comply with one or more of the specified MBE Program requirements or contract provisions, the Contractor agrees to pay liquidated damages to PGCPS at the rates set forth below. The Contractor expressly agrees that PGCPS may withhold payment on any invoices as a set-off against liquidated damages owed. The Contractor further agrees that for each specified violation, the agreed upon liquidated damages are reasonably proximate to the loss PGCPS is anticipated to incur as a result of such violation.
- 1) Failure to submit each monthly payment report in full compliance with COMAR 21.11.03.13B (3): \$100.00 per day until the monthly report is submitted as required.
 - 2) Failure to include in its agreements with MBE subcontractors a provision requiring submission of payment reports in full compliance with COMAR 21.11.03.13B (4): \$ 100.00 per MBE subcontractor.
 - 3) Failure to comply with COMAR 21.11.03.12 in terminating, canceling, or changing the scope of work/value of a contract with an MBE subcontractor and/or amendment of the MBE participation schedule: the difference between the dollar value of the MBE participation commitment on the MBE participation schedule for that specific MBE firm and the dollar value of the work performed by that MBE firm for the contract.
 - 4) Failure to meet the Contractor's total MBE participation goal and subgoal commitments: the difference between the dollar value of the total MBE participation commitment on the MBE participation schedule and the MBE participation actually achieved.
 - 5) Failure to promptly pay all undisputed amounts to an MBE subcontractor in full compliance with the prompt payment provisions of this contract: \$100.00 per day until the undisputed amount due to the MBE subcontractor is paid.
- c. "Notwithstanding the use of liquidated damages, PGCPS reserves the right to terminate the contract and exercise all other rights and remedies provided in the contract or by law."

E. Records and Reports



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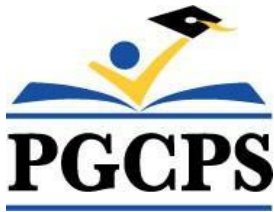
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1. The MBE Liaison shall maintain such records as are necessary to confirm compliance with its Minority Business Enterprise Procedures and activities. The records shall be maintained until the project is audited by the PSCP. These records shall include by project:
 - a. The contractor report submitted at the completion of the project;
 - b. The identity of the minority contractors employed on the project;
 - c. The type of work performed;
 - d. The actual dollar value of the work, services, supplies or equipment; and
 - e. The MBE percentage of the total contract.
2. The MBE Liaison will maintain a record of all waivers approved for each project or solicitation package where the prime contractor was unable to achieve the established overall goal or subgoals, if applicable. The MBE Liaison will, however, report to the PSCP all MBE participation by MDOT certified firms who are prime contractors, subcontractors, suppliers, or otherwise making an economically viable contribution to each project. This information shall be reported to PSCP within ten (10) working days after approval of the award of the contract by the Board.
3. PGCPS shall submit the “Certified Minority Business Enterprise Participation Standard Monthly Contractor’s Requisition for Payment” (IAC/PSCP Form 306.4 page 3 of 16, located in the Administrative Procedures Guide), which is Attachment 7 (State Attachment G) in this administrative procedure, to the PSCP Director of Fiscal Services as part of the regular monthly request for payment for the project.
4. PGCPS shall submit the “Close-Out Cost Summary” (IAC/PSCP Form 306.6 located in the Administrative Procedures Guide), which is Attachment 8 (State Attachment H) of this administrative procedure, along with the “Certified Minority Business Enterprise Participation Standard Monthly Contractor’s Requisition for Payment” (IAC/PSCP Form 306.4) to the PSCP Director of Fiscal Services within 180 calendar days of completion of the project.
 - a. All final MBE payments should be verified by PGCPS’s MBE Liaison before submission to the PSCP.



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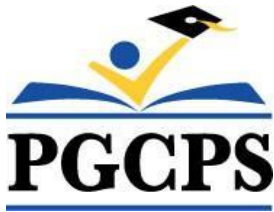
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5. Each quarter and at the end of each fiscal year, PGCPS will submit to the PSCP Fiscal Services the monthly cumulative “Minority Business Enterprises Monthly Procurement Report GOMA MBE Forms 1 & 2” and maintain such records as are necessary to confirm compliance with its MBE procedures and activities.
6. Each fiscal year end, PSCP Fiscal Services will create an annual report “Minority Business Enterprises Monthly Procurement Report GOMA MBE Forms 1 & 2” and Reporting Form #3 – Annual MBE Procurement Report Database – providing an accounting of payments made to MBE prime and MBE subcontractors. PGCPS shall maintain such records as are necessary to confirm compliance with its MBE Procedures and activities. These reports will compare the overall MBE goals and subgoals, if applicable, for each specific project with MBE participation anticipated at the time of contract award and the actual MBE participation at the completion of the project.

VI. MONITORING AND COMPLIANCE:

A. Monitoring

1. PGCPS’s procurement personnel or project staff shall verify that the certified MBEs listed in the MBE participation schedule are actually performing the work.
2. PGCPS’s procurement personnel or project staff shall ensure that MBE subcontractors are receiving compensation as set forth in the MBE participation schedule by ensuring that the contractor submits monthly reports, listing any unpaid invoices over 30 calendar days old received from any certified MBE subcontractor, the amount of each invoice, and the reason payment has not been made.
3. The MBE Liaison and/or the PSCP will conduct reviews as deemed necessary to confirm compliance with the minority business enterprise participation requirements.
4. The MBE Liaison will maintain appropriate records and shall assist the PSCP in on-site or post-audit reviews upon request.
5. Auditors from the PSCP will have access to and the ability to audit MBE participation for specific projects, information retained by PGCPS, and/or submitted to the IAC in reports/forms filed by PGCPS as referenced above.



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B. Minority Business Enterprise Liaison

1. The Superintendent shall designate an individual to be identified as the MBE Liaison for PGCPS.
2. The MBE Liaison will be the contact person who will work with the PSCP and GOMA to implement the Minority Business Enterprise Program for PGCPS and the State of Maryland.
3. The Superintendent will immediately notify the PSCP if there is a change in the MBE Liaison for PGCPS.

VII. **RELATED PROCEDURES:**

Administrative Procedure 3325 – Minority Business Enterprise Procurement Procedures

VIII. **LEGAL REFERENCE:** xxx

COMAR 21.11.03.12

COMAR 21.11.03.13B

https://iac.mdschoolconstruction.org/?page_id=2813

IX. **MAINTENANCE AND UPDATE OF THIS ADMINISTRATIVE PROCEDURE:**

This administrative procedure originates with the State of Maryland Public School Construction Program and will be reviewed and updated by the PGCPS Department of Purchasing and Supply as necessary.

X. **CANCELLATIONS AND SUPERSEDES:** This administrative procedure cancels and supersedes Administrative Procedure 7419, dated January 15, 2020.

XI. **EFFECTIVE DATE:** July 1, 2024

Attachments:

1. A - Certified Minority Business Enterprise Utilization and Fair Participation Affidavit
2. B - Minority Business Enterprises Participation Schedule
3. C - Minority Business Enterprises Outreach Efforts Compliance Statement
4. D - Minority Business Enterprises Subcontractor Project Participation Statement
5. E - Minority Subcontractor Unavailability Certificate
6. F - Minority Business Enterprise Waiver Documentation
7. G - Minority Business Enterprise Participation Standard Monthly Contractor's Requisition for Payment
8. H - Close Out Cost Summary