



Procurement Access & Vendor Equity Strategic Plan (2024-2030)

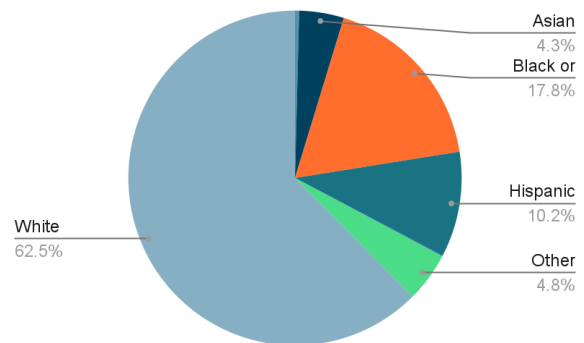
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Office of Central Services - Purchasing Division - Procurement Compliance Team
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Overview/Mission

Anne Arundel County Government (County) Procurement Compliance Team (PCT) advocates for inclusion and economic opportunities for minority, women, veteran-owned, small, and emerging businesses herein known as Certified Business Enterprises (CBE); and works to eliminate barriers to their participation in County contracts. The program is known as Procurement Access & Vendor Equity (PAVE).

Anne Arundel County is an increasingly diverse community. Per the US Census Bureau, as of 2020, Anne Arundel County's total population is 588,261, which is comprised of people who identify as the following races/ethnicities: 4% Asian, 18% Black or African American, 10% Native Hawaiian and Other Pacific Islander, 5% Other, and 63% White/Caucasian.



Anne Arundel County currently has 61,000 total businesses of which 76% (46,360) are sole proprietor or other type of non-employer business (no employees). About 25% (15,250) of the businesses are employers. With annual spend of \$562,750,611 in Fiscal Year 2023, the County is empowering these diverse businesses by increasing opportunities and reducing barriers to receive County contracts.

Seventy-five percent of Anne Arundel County's contracts are held with firms in nine Maryland counties, including Anne Arundel, Baltimore, Howard, Prince George's, Baltimore City, Montgomery, Calvert, Queen Anne's and Carroll.

The PAVE Program

In 2023, the County relaunched the MBE program as "PAVE" - Procurement Access and Vendor Equity. The PAVE program's primary objective is to increase wealth in the minority community through government contracting opportunities.

The County has historically tracked two key metrics - the number of contracts awarded to Certified Business Enterprises (CBEs) and County spending with CBEs. Both are important indicators of the County's connections with CBEs in our area. "Contracts" are procurement documents negotiated *in advance of spending*; they may or may not result in actual spending with a particular vendor. "Spending" accounts for dollars actually paid to vendors for goods and/or services, regardless of the existence of a contract.

Tracking contract awards allows the County to identify opportunities for extended relationships with CBEs (for the duration of a specific contract). Tracking spend data allows the County to identify future procurement opportunities. By tracking both, the County can analyze and refine PAVE initiatives to be responsive to current and future procurement opportunities. Both metrics should be considered as resources are targeted to growing contracts and increasing spending with CBEs.

There is a limitation in the County's current data collection efforts. We can account for the dollars spent with the Contracted Vendor; however, we are presently unable to track how much is actually spent under certain contract awards with subcontractors. We anticipate that a new financial system will allow us to capture "subcontractor spend."

The County's MBE program slowly expanded over the past 5 years, and the impact cannot be ignored. CBE participation grew from 11% of total spend in FY19 to 25% of total spend in FY23. Prior to January 2024, our efforts to grow CBE participation included:

- Outreach plans aimed at bridging the gap between the CBE community and County procurements.
 - Those plans included attendance at minority, women-owned, small and veteran owned events to discuss opportunities to do business with the County. Annually, the County also held and/or participated in over one-hundred events as outlined by the following outreach category of events:
 - Major State & County Conferences
 - Affiliate Conferences
 - PAVE Hosted Training Seminars
 - PAVE Hosted & Attended Vendor Partnership Events
 - Pave Hosted One on One Vendor Meetings
 - Council Advisory Boards
- One-on-one meetings with CBE vendors to discuss the County's procurement process and common pitfalls to increase CBE opportunities.
 - There were various one-on-one vendor meetings that occurred throughout the year to bridge gaps between the County's procurement process and vendor capabilities. These meetings also included offering insight into how to tap additional, non-procurement community resources including financial assistance, business opportunities, training, etc.
- Registering prospective CBE vendors with the County's eProcurement tool so CBEs had access to the County's procurements as they are advertised.
- Requiring small procurements (under \$100,000) to have at least one quote from a CBE firm, thereby, increasing CBE award opportunities.

- Hiring a language access vendor to bridge language barriers and procurement opportunities.
- Reporting overall spend and CBE representation.
- Increasing spend with CBEs during COVID (from 10% to 18%) when CBEs were at a large economic disadvantage.
- Partnering with businesses like Amazon to increase CBE presence and thereby increasing CBE wealth building by selling to Amazon's vast consumer base domestically and internationally.
 - The County is also looking at its CBE spend with Amazon to formulate a plan on CBE utilization.
 - The County's CBE spend with Amazon was currently 26% for October 2023-December 2023.

2023 Disparity Study Summary

The intent of the Disparity Study was to determine whether the County's procurement practices discriminate against CBEs. Jurisdictions around the country conduct disparity studies to determine if their procurement processes intentionally or inadvertently discriminate against historically disadvantaged businesses. Through a disparity study the county hoped to identify where it experienced low CBE contract utilization or low CBE spend for goods and/or services; and, so that the County could formulate a strategy to address these disparities. In 2022, the County contracted with Colette Holt and Associates to perform a disparity study to review the CBE program relative to the County's overall purchasing policies and procedures.

Disparity studies are important for a number of reasons, including helping identify barriers and challenges that CBEs face when trying to secure government contracts and helping to promote and hold government agencies accountable for diversity and inclusion goals.

The Disparity Study was another step toward seeking greater inclusivity in contracting for government operations. The study looked at the County's use of CBE firms for fiscal years 2017 through 2021, and compared the use to availability ratio of such firms in the County's geographic and industry market areas.

Without identifying specific segments of the market, the study found that CBEs in the County's market area continue to experience disparities in their access to County contracts and private sector opportunities and to the resources necessary for business success. On the expenditure side, the County spent 25% of total spending in Fiscal Year 2023 with CBE firms.

PAVE the Path Forward: Increase Utilization

CBE use is defined as ensuring CBEs have access and equity in County spend. The County considers several ways in which it procures goods and services from CBEs as part of the overall utilization of such firms. For the County's purposes, comprehensive utilization includes purchases that the County makes from CBEs using procurement cards, on purchase orders, and under contracts. Note that this differs from utilization as measured in the disparity study, which exclusively considers contracts with CBE firms.

The disparity study contained several race-neutral recommendations that the PAVE program intends to address:

- Implement an electronic contracting data collection monitoring and notification system
- Increase vendor communication and outreach to firms
- Focus on reducing barriers to disadvantaged business contract awards
- Partnering with other agencies and local organizations to provide bonding, financing, and technical assistance programs.

The PAVE Strategic Plan phased initiatives covers the race neutral recommendations in the Disparity Study but are not limited to:

- Develop comprehensive reporting and tracking capabilities
- Build awareness and communicate the PAVE program through outreach efforts
- Develop capacity building programs in an effort to reduce barriers
- Increase the County's presence in the CBE community by partnering with other agencies and organizations.

The County will PAVE the path forward in spend and awards with CBEs through the initiatives outlined in the three phases, listed below.

Phase one will include revitalizing current processes and identifying new processes to reach targeted goals. Efforts will include, but are not limited to:

- Refine software tools - to effectively identify disparities and reduce barriers
- Enhance reporting - ensures the information on the County's overall spend is reliable for decision making as well as reaching targets
- Identify specific goals by subcategory of spend - this will enable CBE utilization by pairing County needs with actual spend data
- CBE self-certification through the County's eProcurement tool: PORT
- Develop awareness and communication of the County's CBE program - this effort will bridge the divide between the perception of government being hard to do business with and create ease of accessibility
- Identify industry associations and develop an outreach program to specifically reach minority owned firms in specific sectors such as minority contractors, architects, or other traditionally underrepresented vendor utilization.

- Conducting focus groups - the information gained from this effort will be used to develop programs, resources, etc.
- Researching County spend in relation to CBEs availability in the market- the key to ensuring appropriate goal attainment is to pair spend with CBE availability. This data will be used to ensure the County is focusing their efforts materially.

Subject to funding and resource availability, these efforts are currently underway.

Phase two will focus on increasing capacity building activities. Capacity-building is the process of developing and strengthening the skills, instincts, abilities, processes and resources that businesses and communities need to survive and adapt. The County will focus on developing robust targeted training and outreach for both County staff and businesses seeking to do business in the County, developing programs obtained through the focus groups. These programs may include but will not be limited to bonding, financial literacy and stability, insurance requirements, technology, knowledge and skills training, identifying and eliminating barriers, understanding contracts, and building a procurement technical assistance program. We will also target, based on historical spending data trends, specific categories and types of businesses to focus annual capacity building activities. Phase two efforts, concurrent with certain activities in phase one, will be completed in calendar year 2025.

Phase three and into the future will focus on monitoring programs based on reporting and program utilization. The success of the program will be determined by the actual CBE usage by subcategory, established initially in phase one. These targeted subcategories will be adjusted annually.

PAVE Strategic Plan

Although our efforts have been fruitful, the County seeks to increase the overall utilization of CBEs. The percentage of overall spend with CBEs is 25% in Fiscal Year 2023. Overall spend includes all purchase orders, contracts, and purchase card spend with County dollars. The goal is to increase the percentage of utilization in the next three years (2027) to 27% and then to at least 30% by 2030. The County will work with local CBEs to conduct a barrier analysis, and address obstacles to accessing and receiving County contracts.

1. Phase One (Currently Underway; Targeted Completion Dec 31, 2024)
 - a. Expand CBE Base
 - i. Enhance CBE Tracking
 1. True utilization of CBEs will be built through the use of the County's eProcurement tool (PORT) and tracking through the County's Enterprise financial system (EOne), or any successor enterprise financial system. The combination of this data will allow the PCT to track who is registering, being awarded County dollars, and actual program utilization. Without these tools the County cannot gauge the continued success or failure of the program.

- ii. Self Certification Program
 1. CBEs are minority (African American, Asian, and Hispanic), Small, Veteran, Women-Owned businesses.
 2. The County, through PORT, will require all vendors to pick a CBE designation with a self-certification attestation. PORT will also allow vendors to submit their Certification by other National or Regional certifying entities.
 3. Vendors who do not require PORT registration due to contract or payment mechanism will be required to submit their CBE Attestation Form with their Vendor Request Form. The form is used to set up the vendor in the County's financial system along with other required tax information.
- b. Analyze Spend Data
 - i. Pull all County spend data over the last five years including contract, Purchase Orders, and P-Cards and analyze what industry the spend is with annually.
 - ii. Review capital contracting data, processes for identifying vendors for both types of uses, and reduce barriers to entry as well for CBE businesses.
 - iii. Use that data to compare to CBE businesses to gauge disparities
 1. In phase 1 identify five categories of industry where CBEs are available in the contracting community but are under-represented in County spend and awards to target and reduce the disparities. In future phases, as disparities are reduced, identify additional subcategories of spend to focus efforts in identifying CBE businesses so as to consistently focus on at least five subcategories.
 - iv. Once under-represented industries are identified, the Purchasing Agent will set industry specific targets for CBE participation.
- c. Focus Group
 - i. In coordination with Anne Arundel Economic Development Corporation (AAEDC), get proposals from vendors to:
 1. Gather feedback to identify what is working well for CBE businesses interested in working with the County, as well as barriers and challenges.
 2. Uncover ideas for improvement and add to future iterations of the PAVE Strategic Plan and the annual work plan.
 3. Identify training needs to improve CBEs understanding of the County's purchasing program.
- d. Identify Market/Vendor Disparity
 - i. Use spend data to identify disparities
 - ii. Build target outreach efforts and training to reduce those barriers.

1. Training will include internal Using Agency training as well as Vendor training on opportunities to do business with the County.
- e. Outreach Presence
- i. Social Media - LinkedIn, TwitterX, newsletters - in conjunction with AAEDC
 - ii. Calendar of Events Held by Other Entities - in Conjunction with AAEDC
 - iii. Calendar of Events to be Hosted by County Purchasing
 - iv. Conduct open houses, vendor fairs, and reverse trade shows to communicate County needs for suppliers in the market based on budgeted projects/dollars.
 - v. Website Redevelopment
 - vi. Outreach Training Events
 1. This will include targeted program guides and will include:
 - a. Tutorials on How to do Business w/ AA County
 - b. One on one counseling
 - c. Online training
 - d. Language Assistance Services
 - e. Marketing Materials
 - f. Listing of Budgeted Purchasing Opportunities
- f. Partnerships
- i. Build partnerships with other County agencies to expand, publish, broadcast the County's program along with how to offer capacity building services.
 1. Participate in the AAEDC Inclusive Venture Program (IVP) to conduct procurement training as part of the program curriculum.
 2. Serve as Pitch Judge at IVP graduations to identify businesses that may be eligible for County contracting opportunities.
 3. Attend/collaborate with AAEDC on events that outreach to target populations.
 - ii. Coordinate with AAEDC to connect County businesses with open solicitations. Efforts include:
 1. Transmitting the solicitation list on a regular basis to AAEDC Business Development Team.
 2. AAEDC Business Development Coordinator to identify business owners eligible for procurement opportunities and send email referral directly to the appropriate representative in the County's Purchasing Department.
 3. Purchasing staff to provide direct procurement assistance to referred business owners and provide updates to AAEDC Business Development Coordinator on the status and any follow up conducted or needed.

4. Assess County Code for recommended County Code changes to allow for consideration of race based factors in specific categories of procurements based on program outcomes.

Calendar 2024 Planned Actions

The deliverables listed below are not all-inclusive and include tentative completion dates. Dates are subject to change based on ability to implement required software and resources.

1. Develop and Implement Outreach Event Plan Including Events County will Host and Events County Will Attend with AAEDC, implementation date; May 31, 2024
2. Build reporting requirements, implementation date; June 30, 2024
3. Implement Self Certification Program, implementation date; June 30, 2024
4. Evaluate Overall Spend with County and Develop Percentage of Spend by Industry August 31, 2024
 - a. Professional Services
 - b. Non-professional services
 - c. Goods
 - d. Construction
 - e. Architecture & Engineering
5. Focus Group, implementation date; December 31, 2024
 - a. Hire
 - b. Evaluate
 - c. Assess
 - d. Implement Recommendations
6. Develop and Implement Capacity Building Plan, implementation date; March 31, 2025
7. Identify Available Vendors Who Do Not participate in County Contracting, implementation date of March 31, 2025
8. Develop and Implement Outreach Presence Plan based on Data Analysis to include a Disparity Reduction Plan, implementation date March 31, 2025
9. Establish monitoring requirements, implementation date; June 30, 2025
10. Develop a Success/Failure Assessment Plan, implementation date; June 30, 2025

Tracking and Reporting Progress

1. Draft and issue the Procurement Access & Vendor Equity Strategic Plan
 - a. Initial plan to be issued by April 2024

- b. Annual work plans for the CBE program to be developed between the Purchasing Agent, the Director of Central Services, and the Director of Equity and Human Relations.
 - c. Progress toward the goals for the program will be regularly assessed against the overall strategic plan and the annual work plans.
- 2. Annual Report: The Annual Purchasing report, due the first day of October, shall include information regarding progress towards milestones, overarching goals.
- 3. Creation of an internal Certified Business Coordinating Council to monitor progress of increasing CBE participation and to continue to develop programs and policies to expand CBE procurement opportunities
 - a. Membership of the Council includes representatives from the offices of Equity and Human Rights, Hispanic/Latino and Multicultural Resources, Economic Development Corporation, Central Services, and Purchasing Division.

Appendix 1

PAVE Strategic Plan

Program Mission: The County seeks to increase the overall utilization of CBEs. The percentage of overall spend with CBEs is 25% in Fiscal Year 2023.

Program Goals: The goal is to increase the percentage of utilization in the next three years (2027) to 27% and then to at least 30% by 2030. The County will work with local CBEs to conduct a barrier analysis, and address obstacles to accessing and receiving County contracts.

			Milestone	Result
Phase One				
	Expand CBE Base			
		Enhance CBE Tracking		
		Create Self Certification Program	6/30/2024	
	Analyze CBE Spend Data		8/31/2024	
		Review 5 year County Spend Data		
		Review Capital Contracting Data		
		Compare and Identify Disparities by Category		
		Set Specific Category Goals		
	Focus Group		12/31/2024	
	Identify Market/Vendor Disparity		8/31/2024	
		Targeted Outreach and Training		
	Outreach Presence (social media, website, events, training)		1/1/2024	
	Partnerships		4/1/2024	
		Expand reach of County contracting program		
		Work with EDC to connect businesses		
		Connect with Chambers of Commerce		
Phase Two				
	Capacity Building		3/31/2025	
		Engage Stakeholders with EDC		
		Build technical assistance program		
		Implement Focus Group recommendations		
		Build supplier performance assessment tool		
		Hold training seminars		
	Ongoing Activities			
		Monitor Programs and Adjust as Needed	3/30/2025	
		Reporting on Progress		

		Identify Issues for additional outreach		
		Assess Program	3/30/2025	
		Review County Code for changes		
Phase Three				
		Ongoing PAVE Monitoring	1/1/2026	
		Issue PAVE plan	4/30/2024	
		Purchasing Annual Report	10/1/2024	
		Create CBE Coordinating Council	7/1/2024	