

# Department of Procurement, Contract & Grant Administration

Diversity & Outreach Program

**Annual Report Fiscal Year 2025** 

The Maryland Judiciary (Judiciary) is an independent branch of Maryland government. The Judiciary's budget, which is approximately 1.3 percent of the state's total budget, is submitted and approved annually through the state's legislative process.

The Judiciary's Diversity & Outreach Program (Program) was established to encourage and increase participation in Judiciary procurements by Minority Business Enterprises (MBEs) and Veteran-Owned Small Business Enterprises (VSBEs). Through strategic outreach efforts and dedicated engagement, the Program works to ensure that MBEs and VSBEs are not only aware of opportunities but are also well-positioned to compete and succeed in Judiciary contracting.

The Judiciary's Department of Procurement, Contract & Grant Administration (DPCGA) is responsible for procuring goods and services for the Judiciary in accordance with its policies and procedures and, as such, oversees the Program. The DPCGA offers opportunities for participation through several procurement methods such as Request for Proposals (RFP) and Invitation for Bids (IFB) which are designed to be accessible, transparent, and inclusive. The commodity areas include but are not limited to: consulting and professional services, information technology products and services, janitorial supplies and services, moving services, office supplies, renovation services, and printing and graphic services. These spend categories provide a wide range of opportunities for MBE and VSBE participation both as prime contractors and subcontractors. The Judiciary recognizes that sustained outreach, education, and relationship-building are key to expanding the pool of qualified, diverse vendors.

This report highlights the progress, challenges, and ongoing efforts of the Diversity & Outreach Program in FY 2025 and outlines the Judiciary's continued commitment to advancing meaningful MBE and VSBE participation in the years ahead. One highlight of Fiscal Year (FY) 2025 was the launch of a new outreach initiative.

In November 2024, the Judiciary hosted its first outreach event at the Maryland Judicial Center, drawing strong participation from both agencies and the business community. The event featured 30 state agencies as exhibitors and welcomed more than 150 attendees. Based on the positive response, the DPCGA plans to make this an annual event to strengthen outreach efforts and expand the MBE/VSBE supplier network.

### **Notification of Judiciary Procurement Opportunities**

The DPCGA evaluates procurement requests submitted by Using Units to identify subcontracting opportunities for MBEs and VSBEs. There are procurement requests for which no subcontracting opportunities exist, such as, proprietary licenses, maintenance, or other services contracts where only a single element of work exists. In those instances, DPCGA encourages MBEs and VSBEs to respond to the solicitations as a prime contractor. The Program does not limit MBEs and VSBEs to participate only as subcontractors; however, subcontracting goals are based on the dollar value of the procurement and the extent to which the procurement itself is susceptible to subcontracting opportunities.

For procurements expected to exceed \$200,000 (including the value of all potential option years), the Diversity & Outreach Coordinator chairs the Procurement Review Group (PRG). The PRG assigns MBE and/or VSBE subcontracting goals for the procurement based on a review of the scope of work and key business areas associated with the solicitation. The appropriate MBE and/or VSBE subcontracting language along with the subcontracting goal is then included in the solicitation document.

To qualify as an MBE for Judiciary procurements, MBEs must be certified by the Maryland Department of Transportation (MDOT). Additional information can be found at: <a href="https://marylandmdbe.mdbecert.com/">https://marylandmdbe.mdbecert.com/</a>.

To qualify as a VSBE for Judiciary procurements, VSBEs must complete three steps: 1) supplier registration, 2) veteran verification, and 3) Veteran-Owned Small Business Enterprise (VSBE) Certification. These steps are outlined by the State of Maryland VSBE Program and are completed within eMarylandMarketplace Advantage (eMMA). Additional information can be found at: <a href="https://gomdsmallbiz.maryland.gov/Pages/VSBE-Program.aspx">https://gomdsmallbiz.maryland.gov/Pages/VSBE-Program.aspx</a>.

The DPCGA publicly advertises solicitations for the procurement of goods and services with an estimated valued over \$25,000.

#### • Judiciary Procurement Portal

https://www.mdcourts.gov/procurementportal

The Judiciary's Procurement Portal continues to be well received by the supplier community, providing a streamlined, fully electronic process for submitting bids and proposals. In Fiscal Year 2025, prospective suppliers downloaded solicitation documents 7,474 times, and 43% of them or 3,202 prospective suppliers indicated an intent to bid. Of those who declared intent, 2,226 submissions were received, consisting of proposals, bids, quotes, and request for information (RFI) responses, representing 70% of intent declarations. The portal continues to reduce barriers for MBE and VSBE suppliers and expand the DPCGA's reach to those who may not have previously engaged with the Judiciary.

# • State of Maryland eMaryland Marketplace Advantage (eMMA)

https://emma.maryland.gov

eMarylandMarketplace Advantage (eMMA) is the State of Maryland's internet-based procurement system. This platform allows potential suppliers to quickly access the state's procurement opportunities, including the Judiciary's solicitations. Posting public notices on eMMA enables the Judiciary to capitalize on the broad exposure and services in place for suppliers interested in participating in State of Maryland procurements. On eMMA, Judiciary solicitations are posted by commodity code. When posted, each supplier registered under the applicable United Nations Standard Products and Services Code (UNSPSC) automatically receives a notice that the solicitation has been posted. Utilizing

the public notice feature of eMMA assists the Judiciary with quickly identifying qualified and engaged suppliers for its solicitations.

#### Direct Solicitations

Procurement Officers are encouraged to identify and directly send solicitations to potential suppliers who have indicated their ability to provide a specific product or services under the applicable UNSPSC code(s).

During the open solicitation period, the Diversity & Outreach Coordinator participates in pre-bid and pre-proposal conferences and provides support to the Procurement Officer by providing information to potential MBE and/or VSBE prime contractors and subcontractors. Once the solicitation submission period closes, the Diversity & Outreach Coordinator reviews the MBE and VSBE forms submitted with the proposals to determine the responsiveness of the proposals based upon the recommended goals. After award, the Diversity & Outreach Coordinator engages the awarded supplier to provide guidance to both the prime contractor and MBE/VSBE subcontractors on compliance requirements.

#### **MBE and VSBE Performance Overview**

For Fiscal Year (FY) 2025, the overall MBE goal was set at 29 percent, in alignment with the State of Maryland's aspirational target. The Judiciary achieved an overall MBE participation rate of 18.95 percent, compared to 20.34 percent in FY2024. The decrease is primarily attributed to a reduction in indirect (Tier II) spend, which refers to payments made by prime contractors to certified MBE subcontractors. Many active contracts with established MBE subcontracting goals were either in the early stages, offering limited subcontracting opportunities, or had not yet commenced work, resulting in no payments issued to prime contractors. These payments will be reflected in the FY 2026 report. The DPCGA remains committed to enhancing MBE participation and is actively implementing strategies to maximize opportunities for the MBE community.

For FY 2025, the VSBE participation goal for the Judiciary was increased to 3 percent, aligning with the State of Maryland's aspirational goal. While the pool of certified VSBEs remains limited, particularly under certain North American Industry Classification System (NAICS) codes, the Judiciary achieved a VSBE participation rate of 2.58 percent, a 40 percent increase over last year's 1.84 percent. This growth reflects the Judiciary's continued efforts to engage VSBE firms through direct outreach and ongoing relationship-building.

#### Data Collection for Prime (Tier I) and Subcontractor (Tier II) Spend

The total procurement spend for FY 2025 is based on all Purchase Orders issued by the DPCGA during the fiscal year. Expenditures coded to accounts unrelated to procurement activity are excluded from this calculation to ensure accuracy.

Tier I (prime contractor) MBE and VSBE spend data is sourced from GEARS, the Judiciary's financial system of record. Each week, the Department of Budget and Finance identifies newly added suppliers, and the DPCGA reviews this list to verify MBE and VSBE eligibility. Verified eligibility is recorded and maintained in GEARS.

To ensure data accuracy, the DPCGA maintains a Memorandum of Understanding (MOU) with the Maryland Department of Transportation (MDOT), allowing regular access to updated MBE certification data. On a quarterly basis, the Judiciary runs a system query to compare the MBE status of suppliers in GEARS against the MDOT database and resolve any discrepancies. This process supports the ongoing integrity of the Judiciary's MBE data.

Tier II (subcontractor) data is collected through reporting requirements for both the prime contractor and their subcontractors. Prime contractors must submit a Prime Contractor Reporting Form providing the status of subcontractor participation. MBE and VSBE subcontractors are also required to provide monthly Subcontractor Payment Reports to document the progress toward their assigned goals. The Outreach & Diversity Coordinator, or designee, follows up as needed to ensure timely and accurate reporting.

Once the reports are submitted, the data is reconciled through a review of both the prime and subcontractor reports, along with verification of invoices and payments in GEARS. Verified Tier II spend data is then recorded to the Judiciary's overall records for the Program.

For both Tier I and Tier II spend, the Judiciary only reports actual, confirmed payments made to certified MBEs and VSBEs. This ensures transparency by reporting verified spend rather than projected or goal-based figures.

# MINORITY BUSINESS ENTERPRISE (MBE) FISCAL YEAR 2025 DATA

#### MBE Tier I (Direct Spend)

 Total Procurement Spend:
 \$103,006,682.34

 Total Direct MBE Spend:
 \$19,315,643.72

 Direct MBE % Spend:
 18.75%

#### **MBE Tier II (Indirect Spend)**

Total Procurement Spend: \$103,006,682.34 Total Indirect MBE Spend: \$207,441.84 Indirect MBE % Spend: 0.20%

#### **Total MBE Participation (Tier I and Tier II)**

Total Procurement Spend: \$103,006,682.34 Total Payments to all MBEs (Tier I and Tier II): \$19,523,085.56

Total MBE % Spend: 18.95%

# VETERAN-OWNED SMALL BUSINESS ENTERPRISE (VSBE) FISCAL YEAR 2025 DATA

#### **VSBE Tier I (Direct Spend)**

Total Procurement Spend: \$103,006,682.34
Total Direct VSBE Spend: \$2,659,720.88
Direct VSBE % Spend: 2.58%

#### **VSBE Tier II (Indirect Spend)**

Total Procurement Spend: \$103,006,682.34
Total Indirect VSBE Spend: \$2,005.00
Indirect VSBE % Spend: 0.002%

#### **Total VSBE Participation (Tier I and Tier II)**

Total Procurement Spend: \$103,006,682.34
Total Payments to all VSBEs (Tier I and Tier II): \$2,661,725.88
Total VSBE % Spend: 2.58%

#### Fiscal Year 2026 Diversity & Outreach Program Review & Objectives

#### • Annual Procurement Event

The DPCGA will host its second "Maryland Judiciary MBE & VSBE Outreach Event" at the Maryland Judicial Center on October 17, 2025. This event will connect MBEs and VSBEs with representatives from the Maryland Judiciary, State Agencies, prime

contractors, subcontractors, and resource partners, promoting a network for business opportunities.

#### Contracting Opportunities for MBEs and VSBEs

The Judiciary's average contract award value is advantageous to MBE and VSBE suppliers to secure prime contractor roles. Our RFP and IFB templates will continue to include language that encourages participation from this business community. This emphasis will continue to be promoted and reinforced through ongoing outreach efforts.

#### • Procurement and Diversity Targets

The Judiciary's overall procurement spend increased by almost \$8 million in FY 2025. With this increase in spend, the Diversity and Outreach team remains committed to achieving its Tier II MBE and VSBE subcontracting goals on larger procurements, targeting higher engagement and spending levels in FY 2026.

The Diversity and Outreach team implemented a new strategy to strengthen goal accountability. At the end of Q3, the Diversity and Outreach Coordinator reviewed all Judiciary contracts with MBE and/or VSBE goals and contacted each prime contractor to assess progress based on submitted reports. This communication helped identify whether primes were on track or needed to increase subcontracting efforts and provided an opportunity to reconcile records. This review process will continue after Q1 and Q3 each fiscal year to support ongoing compliance with the Judiciary's diversity goals.

#### • New Regulations:

On May 20, 2025, House Bill 500, the Procurement Reform Act (PRA), was signed into law. Set to take effect on October 1, 2025, the PRA introduces several changes that directly impact the administration of the Program.

Flexibility in Participation Schedules: The PRA eliminates the current requirement to reject bids and proposals due to inaccuracies in MBE Participation Schedules. Instead, agencies will allow offerors a reasonable time to correct deficiencies, opening the door for a greater number of competitive bids and proposals to be considered.

Post-Award Modifications: Agencies may now modify MBE/VSBE participation at any time, even after contract execution, provided it is in the best interest of the State, the contract is amended, and the contractor agrees to any reasonable pricing changes.

These changes will allow the Judiciary to implement a more flexible, inclusive approach to procurement that supports greater MBE and VSBE participation without compromising fairness or competition. The DPCGA is preparing to align its practices with these new provisions as part of its ongoing commitment to diversity and equity in contracting.

#### • Active Outreach Engagement:

In FY 2025, the Judiciary participated in six (6) outreach events. The objective is to raise awareness of procurement opportunities in collaboration with other state agencies. The DPCGA will continue to promote these events through its website and future partnerships.

#### • Expanding MBE/VSBE Contacts

The DPCGA has developed an MBE/VSBE database consisting of over 450 MBE/VSBE firms by directly engaging these entrepreneurs in person at outreach events. The DPCGA will continue to expand this list in FY 2026 by hosting its second Procurement event and through ongoing outreach efforts.

#### • FY 2026 Diversity Goals:

For FY 2026, the Judiciary's diversity target goal will remain at 32%, with 29% allocated to MBE and 3% to VSBE participation. This maintains alignment with the State of Maryland's aspirational goals. The Judiciary will continue working diligently toward achieving these goals in FY 2026.

#### • General Information:

Information regarding the Judiciary's Diversity & Outreach Program, including MBE and VSBE, is available at: https://mdcourts.gov/procurement/mbe

Information regarding the state's MBE and VSBE programs can be found at:

- o Maryland Department of Transportation MBE certification
- o Maryland Veteran-Owned Small Business Enterprise (VSBE) Program



# Department of Procurement, Contract & Grant Administration

# Diversity & Outreach Program

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