



LOCAL BUSINESS PARTICIPATION ADVISORY COMMITTEE

ANNUAL REPORT

FOR THE PERIOD ENDING
SEPTEMBER 30, 2015

PREPARED FOR THE PRINCE GEORGE'S COUNTY COUNCIL

The Local Business Participation Advisory Committee (LBPAC), established by Council Resolution-100-2014, provides a formal platform to address the needs and concerns of the local business community. Specifically, the stated mission of LBPAC is to collect and discuss feedback from stakeholders in the local business community concerning the progress of local business and local minority business participation in public and private sector procurement opportunities, local business capacity building efforts, and related policies. Consistent feedback from our local business community and those who interface with the local business community is critical to the successful implementation of policies currently in place.

The initial meeting for LBPAC was held on February 25, 2015, at the County Administration Building. Council Chairman Mel Franklin (Legislative Years 2014-2015) explained the purpose of the Committee and provided a briefing on recent legislation, Council Bill-067-2014, and its impact on the business community. The Committee discussed challenges local business face in their pursuit of opportunities in the public and private sector which include:

1. Lack of capital
2. Inability to obtain bonding for major construction projects
3. No infrastructure in place or back office support
4. Lack of knowledge about the contracting and billing process, especially in the private sector

The second meeting was held on April 27, 2015, at 1801 McCormick Drive in Largo, Maryland. Council Chairman Franklin provided opening remarks and reiterated the purpose of the Committee. Director of Procurement for the Prince George's County Public Schools System, Brenda Allen, provided a briefing about their procurement process. Acting Executive Director for the Supplier Development and Diversity Division, Sharon Jackson, briefed participants on the Compliance and Implementation of CB-17-2011 and Eben Smith, Compliance Manager for the MGM Oversight Committee briefed the participants about the MGM Project at the National Harbor. Interest among local businesses in LBPAC activities and assistance grew substantially from the first meeting. More than 90 participants attended the April 2015 meeting, including members from the County's Business Development Reserve Program.

One of the participants, unaware of new County policies and procedures for acquiring licenses and permits which have greatly improved the process, expressed concern about the licenses and permitting process. The individual was also not aware that the County established a new agency, the Department of Permitting, Inspection and Enforcement (DPIE), to further address concerns expressed by the business community and improve the licensing and permitting process.

Also during the April LBPAC meeting, there were participants noting frustration about their unsuccessful attempts to bid and win County contracts. They were made aware of available resources and assistance, including training, to help the business community better understand and participate in the County's bidding process.

The last LBPAC meeting of 2015 was held on September 16, in Clinton, Maryland at the Surratts-Clinton Library, on 9400 Piscataway Road. There were approximately 50 participants, local business representatives from throughout the County, at this meeting.

Chair of the Community Benefit Oversight Committee, and Director of the County Office Central Services, Roland Jones, briefed participants on the MGM National Harbor Project. Participants were concerned about what they perceived as the lack of opportunities at the MGM National Harbor Project for local MBE's. Mr. Jones communicated the contracting and employment goals of the project and construction phase achievements to date. Another concern was the lack of understanding of the County's Certification Program. Acting Executive Director for the Supplier Development and Diversity Division, Sharon Jackson, briefly described the County's Certification program and informed participants about monthly workshops on how to become certified as a County-based or County-located business, as well as resources for businesses in her office.

In summary, the issues and concerns raised during the three 2015 public hearings primarily centered on effective communication about the programs, resources and support available to the Prince George's County business community.

The consensus expressed by companies who provide professional services is that developers must be held accountable for local business participation during the early stages of major construction projects, adding that developers should be encouraged to team and solicit participation from the local business community.

The A/E firms solicited provided these additional recommendations:

- Given the capacity and expertise of local businesses and the labor pool, the structure, conceptual design, budgeting and bidding phase be enhanced before expectations are publicized; and
- Require developers who seek financial assistance from the County for major construction projects to demonstrate the track record of a General Contractor for teaming with small, local and minority-owned businesses. (The consensus is that the more committed a General Contractor is to the inclusion of small, local and minority businesses, the more opportunities will be available and provided to the diverse business community which is key to the success of the local business community.)

Recommendations:

- The County should continue to strengthen awareness efforts targeting the business community about available and related resources, assistance and programs. The Council should continue to include such information in its outreach efforts to constituents, including local businesses, and offer various resource directories during Council outreach and community events.

Recommendations (Cont'd)

- Encourage greater collaboration and partnership between developers, general contractors and the local business community during the development phase of major construction projects. *Note:* There are a large percentage of local businesses that provide professional services; however, the contracting opportunities on major construction projects are limited to trades and trade-related services.
- Recommend the LBPAC meet semi-annually as opposed to bi-monthly.
- Identify certain industry areas (by industry classification) where there is sufficient local business competition that the contract should be only bid as a matter of county policy to local (county-based business, county-located business) firms. Also, consider requiring teaming (including mentor-protégé relationships) with local firms as a qualification for non-local firms who are competing for contracts in specific industries where there is sufficient local business competition.
- Consider shifting county contracting to a “best value” standard for construction and professional services.
- Establishing a policy in the county for mandatory debriefings after contract awards.
- Create incentives for agency procurement officers to meet agency and contract local participation requirements and goals through the respective agency’s budget.
- Automatically notify local trade associations, such as the Prince George’s Chamber of Commerce or the Greater Prince George’s Business Roundtable, Center for Entrepreneurial Development, etc. of any county bid opportunities.
- Move forward with the implementation of the sheltered market component of the Business Development Reserve Program, so that participating local firms have access to those contracting opportunities to build capacity.
- The LBPAC strongly recommends that legislation impacting the business community be circulated for comment and input prior to adoption

The following additional observations from County Council Member Mel Franklin, District 9 and Ex - Officio member of the LBPAC revealed the following:

Beginning with Council Bill 17 2011 (the “Jobs First Act”), the County adopted several laws over the past five (5) years to increase opportunities for businesses based or located in the county, especially small and minority firms. Despite these new laws, several challenges remain:

1. The County is not sufficiently enforcing the Jobs First Act and related laws designed to benefit local and local minority businesses due to the lack of resources and support provided to the Office of Central Services (OCS) by the Executive Branch of county government. This lack of enforcement includes most county agencies and vendors not reporting regularly local business participation or local hiring in county contracts to OCS in open violation of the Jobs First Act without penalty.

Continuation of additional observations from County Council Member Mel Franklin, District 9 and Ex-Officio member of the LBPAC revealed the following:

2. Many county-based and county-located businesses report that despite the new laws and many outreach meetings from county procurement officials, breaking into doing business with procurement officials housed at specific county agencies remains a significant challenge. Non-local businesses with a long history and relationship of working with those officials still have a significant advantage in competing for procurement opportunities.
3. Many county-based and county-located businesses report difficulty in finding out about procurement opportunities with the county.
4. Many county-based and county-located businesses, especially minority firms, have expressed support for the county shifting its construction and professional services procurement to a best value standard, instead of the “lowest bid technically acceptable” standard, in order to improve the quality of county work product and increase access to opportunities for small and minority businesses. It is a misconception that a properly applied best value standard leads to significant cost appreciation.
5. Many local firms who have competed for business with the county, especially minority firms, have expressed dismay at the lack of information available to bidders who do not win the contract concerning the reasons for the award decision. These “debriefings” are an essential element to improving the ability of firms to compete for contracts with various county agencies. It is unclear if there is any well-communicated policy in the county concerning the availability of debriefings to competing firms.
6. The county government is not maximizing the possibilities of the Jobs First Act and related laws, especially the provisions that authorize the Purchasing Agent to only bid certain projects locally where we have sufficient capacity.

LOCAL BUSINESS PARTICIPATION ADVISORY COMMITTEE (LBPAC) MEMBERS

Joy Anderson, President
JRA & Associates Contracting, LLC
7145 Old Alexandria Ferry Road
Clinton, MD 20735
Tel# (301) 877-8008
Email: janderson@jracontracting.com

Jonathan H. Blunt
Essex Construction Company
9440 Pennsylvania Avenue- Suite 200
Upper Marlboro, MD 20772
Tel# (240) 492-2001
Email: jblunt@essex-llc.com

Johnathan L. Bolden
RSC Electrical & Mechanical Contractors
1920 Oregon Avenue
Landover, MD 20785
Tel# (301) 773-0414
Email: Johnathan_bolden@rsccompany.com

Carl Bunche
C.A. Bunche & Associates LLC
137 National Plaza- Suite 300
National Harbor, MD 20745
Tel# (240) 273-3254
Email carl@caba.com

Herman Dawson
The Goode Companies
6305 Ivy Lane-Suite 720
Greenbelt, MD 20770
Tel# (240) 274-7920
Email: hdawson@wb-llc.com

LOCAL BUSINESS PARTICIPATION ADVISORY COMMITTEE (LBPAC) MEMBERS (CONT'D)

Jean Drummond, President
HCD International
4390 Parliament Place, Suite A
Lanham, MD 20706
Tel# (301) 552-8803
Email: jeandrummond@hcdi.com

James (Jim) Estepp
Operations Manager
Greater Prince George's Business Roundtable
10201 Martin Luther King Jr. Boulevard-2nd Floor
Bowie, MD 20720
Tel# (301) 860-0809
Email jimestepp@his.com or jestepp@bizroundtable.org

June Evans
Interim Director
Center for Entrepreneurial Development
Prince George's Community College
Workforce Development & Continuing Education
Tel# (301) 546-0964
Email: evansjl1@pgcc.edu

Larry Hentz
Director of Economic Development
Prince George's County Economic Development Corporation
1801 McCormick Drive- 3rd Floor
Largo, MD 20774
Tel # (301) 583-4617
Email: lhentz@pgcedc.com

John F. Huggins, Jr.
Co-Founder and COO
Last Mile Broadband LLC
9134 Piscataway Road # 1292
Clinton, MD
Tel# (240) 724-6481
Email: jhuggins@lastmilebroadbandllc.com

LOCAL BUSINESS PARTICIPATION ADVISORY COMMITTEE (LBPAC) MEMBERS (CONT'D)

Marcus Jackson
Vice President, Government Affairs
Maryland Building Industry Association
11825 West Market Place
Fulton, MD 20759
Tel# (301) 343-6993
Email: mjackson@maryland.org

Annette Johnson
President
CMT Services
1827 Brightseat Road
Hyattsville, MD 20785
Tel# (301) 322-7871
Email: Annette.johnson@cmtservices.com

Roland Jones
Director, Office of Central Services
1400 McCormick Drive
Largo, MD 20772
Tel# (301) 883-6450
Email: rljones2@co.pg.md.us

Frederik L. Riefkohl-Maldonado
Senior Vice President
CSA Group
Metro-Plex
8401 Corporate Drive- Suite 470
Landover, MD 20785
Tel# (301) 358-5956
Email: friefkohl@csagroup.com

Shameeka Price-Principal-Broker
Capital Structures Real Estate LLC
2905 Mitchellville Road #207
Bowie, MD 20716
Tel# (301) 440-7224
Email: realtorsshameeka@gmail.com

LOCAL BUSINESS PARTICIPATION ADVISORY COMMITTEE (LBPAC) MEMBERS (CONT'D)

**Wesley Stith, Vice President
Clark Construction Group, LLC
7500 Old Georgetown Road
Bethesda, MD 20814
Tel# (301) 272-6884
Email: Wesley.stith@clarkconstruction.com**

**Venkat Subramanian
President & CEO
Angarai
7319 Hanover Parkway- Suite D
Greenbelt, MD 20770
Tel# (410)472-5000 Extension 1001
Email: vsubramanian@angarai-intl.com**

**Shelly M. Gross-Wade
President & CEO
FSC First
1801 McCormick Drive- Suite 300
Largo, MD 20774
Tel# (301) 883-6900
Email: SMGross-Wade@fscfirst.com**

**Mirinda Jackson, Chair, LBPAC
MBE Compliance Manager
Prince George's County Council
14741 Governor Oden Bowie Drive
First Floor- Room 1077
Upper Marlboro, MD 20772
Tel# (301)952-4919
Email: MDJackson1@co.pg.md.us**

**Mel Franklin, Council Member- District 9 and
Immediate Past Chair, Prince George County Council
14741 Governor Oden Bowie Drive- 2nd Floor
Upper Marlboro, MD 20772
(Note: ex officio Member)
Tel# (301)952-3820
Email: MFranklin1@co.pg.md.us**