

IMPLEMENTATION OF SIZE STANDARDS

INTRODUCTION

The Minority and Women's Business Opportunity Office (MWBOO) is responsible for administering the City of Baltimore's Minority/Women's Business Enterprise Program, also known as Article 5, Subtitle 28 of the Baltimore City Code. As part of the 2007 Disparity Study that reauthorized the current version of the MBE/WBE Program, the consultant noted that in order to comply with the judicial requirement of "narrowly-tailored," only small firms should be allowed to participate in the program. Both of the prior Disparity Studies strongly encouraged the implementation of size standards as a part of the Program. The current law states that the Board of Estimates, with the recommendation of the Chief of the MWBOO, may establish maximum size standards for Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs). That provision is codified as Article 5, Subtitle 28-80 of the Baltimore City Code.

In accordance with the City Code, the Minority and Women's Business Opportunity Office will propose size standards to the Board of Estimates for its consideration. As part of the process, you are encouraged to review and comment on the attached proposal at a public hearing to be held as indicated below.

In most instances, MWBOO is proposing standards that allow for larger companies than those that are currently allowed in programs administered by the United States Small Business Administration. The determination to do so is based on economic exigencies, variances in program structure, and the City's procurement history. While remedial in nature, the City's MBE/WBE program is also intended to promote economic

development, and business economic development requires access to capital. In the absence of personal assets, most individuals depend on their businesses to provide that access. For that reason, MWBOO has established significant flexibility for business growth within the confines of the MBE/WBE Program.

You may attend the public hearing to be held on Monday, September 27, 2010 at 6:00 p.m. in Room 215, City Hall 100 N. Holliday Street, Baltimore, MD 21202

PROPOSED POLICIES

The following are general policies for implementing the size standards:

- (1) For general or professional service firms, the size determination will be based on the average of annual gross receipts or sales for a period of not less than 3 nor more than 5 years.
- (2) For manufacturers, publishers, and telecommunications carriers, the size determination will be based on the average number of employees during the firm's pay periods for the preceding 24 months.
- (3) For retail firms, the size determination will be based on the average of annual gross receipts or sales for a period of not less than 3 years.
- (4) Size determination will apply to a business enterprise, its subsidiaries and affiliates.

- (5) Annual gross receipts or sales will be as defined by the United States Internal Revenue Service and determined by reviewing federal tax returns.
- (6) The number of employees counted in determining size will include all individuals employed on a full-time, part-time, temporary, or other bases.
- (7) If an entity is involved in 2 or more industries, the size standards will be applicable to the one that generates the higher percentage of revenue or to which the greater number of individuals is assigned.
- (8) If a certified business enterprise has a 3-year gross revenue average, or if within the preceding 24 months has a number of employees that meets or exceeds the revenue or employee total established by the Board of Estimates, the company will be placed in a pending status, but may not participate in the program as a certified business enterprise.
 - a) During the next 2 years, if the average annual gross sales or annual employment total decreases to less than the totals noted above, the business enterprise will be eligible to participate in the program as a certified business enterprise through the recertification process.
 - b) After 3 years of non-participation, if the business enterprise continues to meet or exceed the revenue or employee totals noted above, the business enterprise is considered to have graduated and will no longer be certified and eligible to participate in the program.

SERVICE CODES AND DESCRIPTIONS

Codes	Description	Size standards in millions of dollars	Size standards in number of employees
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A. COMMODITIES

1) <u>Suppliers</u>			
	a) Automotive		
	Parts (excluding tires)	15.0	
	Tires	15.0	
	Vehicles (dealers)	36.0	
	b) Books/periodicals (excluding Retail Stores)	15.0	
	c) Clothing/apparel (excluding Retail Stores)	15.0	
	d) Computer and Electronic Equipment and	18.5	
	Supplies		
	i. Cameras and photographic supplies		
	ii. Computer Accessories		
	iii. Hardware		
	iv. Peripheral equipment		
	v. Scanning equipment		
	vi. Software		
	vii. Other		
	e) Construction materials and supplies	25.0	
	i. Brick, stone and related masonry materials and		
	supplies		
	ii. Carpeting and flooring products		
	iii. Electrical equipment and supplies		
	iv. Iron, metal and steel products		
	v. Lumber and wood products		
	vi. Mechanical equipment and supplies		
	vii. Paint, varnish and related products		
	viii. Roofing materials and supplies		
	ix. Windows and doors		
	x. Other		
	f) Food and Beverage (excluding Retail Stores)	12.5	
	i. Beverages		
	ii. Food products		
	iii. Paper goods		

	iv. Other		
	g) Fuel	15.0	
	i. Gasoline		
	ii. Heating oil		
	iii. Petroleum		
	h) Furnishings	15.0	
	i. Appliances		
	ii. Furniture (other than office furniture)		
	iii. Window treatments		
	i) Hardware	15.0	
	j) Industrial supplies	15.0	
	k) Office (excluding Retail Stores and Computer and Electronic)	15.0	
	i. Equipment		
	ii. Furniture		
	iii. Paper/Stationery		
	iv. Other		
	l) Pharmacies (excluding retail stores)	15.0	
	m) Retail Stores	12.5	
	i. Books/magazines		
	ii. Clothing/apparel		
	iii. Florists		
	iv. Food/groceries		
	v. Office supplies		
	vi. Pharmacies		
	vii. Other		
	n) Trees and nursery products	9.5	
	o) Other	9.5	
2) <u>Manufacturers</u>			125
	a) Asphalt		
	b) Chemicals		
	c) Clothing/apparel		
	d) Concrete		

	e) Foods/spices		
	f) Glass products		
	g) Industrial cleaners/soaps		
	h) Ornamental plaster		
	i) Paint and allied products		
	j) Paper products		
	k) Signs		
	l) Textiles		
	m) Window treatments		
	o) Wood products/architectural woodwork/ millworks		
	n) Other		

B. CONSTRUCTION

1) <u>Streets and Highways</u>		40.0	
	a) Bridgework		
	b) Concrete		
	c) Curbs, gutters and sidewalks		
	d) Paving		
	e) Pile driving		
2) Utilities		40.0	
	a) Drainage structures		
	b) Duct line construction		
	c) Oil and Gas pipelines		
	d) Sewer line construction		
	e) Water line construction		
3) Specialty		25.0	
	a) Carpentry		
	b) Demolition		
	c) Door and window installation		
	d) Drywall and insulation		
	e) Earthwork and site preparation		
	f) Electrical		
	g) Elevators		
	h) Erosion and sediment control		
	i) Fencing and guardrails		
	j) Fire protection systems		
	k) Flooring		
	l) Glass and glazing		
	m) HVAC		

	n) Masonry		
	o) Painting and wall coverings		
	p) Plumbing		
	q) Roofing		
	r) Structural steel and ironwork installation		
	s) Underwater construction		
	t) Welding		
	u) Other		
4) Construction Management/Inspection		15.5	

C. ARCHITECTURAL

1) <u>Architectural Services</u>		20.0	
2) <u>Landscape and Architectural Services</u>		20.0	

D. ENGINEERING

1) <u>Professional Engineering</u>		20.0	
2) <u>Surveying/Mapping</u>		20.0	

B. SERVICES

1) <u>General Services</u>			
	a) Administrative and Management	10.0	
	i. Appointment scheduling		
	ii. Call centers		
	iii. Court reporting		
	iv. Information and referral hotline		
	v. Office administrative support services		

	vi. Management consulting		
	vii. Payroll processing		
	viii. Process services		
	ix. Stenographic services		
	x. Telephone answering services		
	b) Arts and entertainment		
	i. Entertainers, performers, actors	8.0	
	ii. Media production	15.0	
	iii. Motion picture, video and sound recording	15.0	
	c) Educational	10.5	
	i. Curriculum development		
	ii. Early childhood services		
	iii. Lectures, seminars and workshops		
	iv. Professional and management training		
	v. Special education services		
	vi. Translation and interpretive services		
	vii. Vocational rehabilitation		
	d) Environmental/Remediation	15.5	
	i. Air conditioning and duct cleaning		
	ii. Asbestos abatement		
	iii. Ground water monitoring		
	iv. Lead abatement		
	v. Mold remediation		
	vi. Radon detection		
	vii. Recycling		
	viii. Site inspection and assessment		
	ix. Testing and remediation		
	x. Underground/above ground storage tank installation and removal		
	e) Energy Management and Consulting	10.5	
	f) Exterminating/pest control	12.5	
	g) Financial		
	i. Banks and savings loans	200 millions in assets	
	ii. Collection agencies	12.0	
	iii. Financial collections		
	iv. Financial consulting		
	v. Fundraising consulting		
	vi. Investment services		

	vii. Securities		
	viii. Third party financing		
	h) Food and Beverage	15.5	
	i. Catering		
	ii. Delivery (excluding Frozen)		
	iii. Food services consulting		
	iv. Frozen food delivery		
	v. Restaurant		
	i) Graphic Design	12.0	
	j) Human Resources/Personnel	10.0	
	i. Benefits and compensation consulting		
	ii. Deferred compensation administration		
	iii. Diversity training and consulting		
	iv. Employee counseling		
	v. Employee training		
	vi. Employment agency		
	vii. Human resources consulting		
	viii. Temporary staffing	15.0	
	k) Information Services (excluding Internet)	17.0	
	i. Broadcasting		
	1. Cable and subscription programming		
	2. Radio stations		
	3. Television stations		
	ii. Publishing		100
	1. Books		
	2. Magazines/periodicals		
	3. Newspapers		
	l) Information Technology	27.5	
	i. Computer training		
	ii. Data processing and analysis		
	iii. GIS services		
	iv. Help desk services		
	v. IT consulting		
	vi. Network design and integration		
	vii. Systems design and integration		
	viii. Website design		
	ix. Wireless services		

	m) Insurance	12.0	
	i. Appraisals		
	ii. Background investigations		
	iii. Bonding		
	iv. Claims management services		
	v. Fidelity		
	vi. Health/accident		
	vii. Life		
	viii. Property		
	ix. Other		
	n) Interior Design	12.0	
	o) Janitorial/Cleaning	18.5	
	i. Carpet and upholstery cleaning		
	ii. Commercial and industrial		
	iii. Fire and water damage cleaning		
	iv. General cleaning		
	v. Post-construction cleaning		
	vi. Pressure washing		
	vii. Snow removal		
	viii. Window washing		
	p) Landscaping	15.5	
	i. General		
	ii. Grass cutting/mowing		
	iii. Tree maintenance and services		
	q) Locksmiths	10.0	
	r) Lodging	10.0	
	i. Bed and breakfast		
	ii. Hotel/Motel		
	iii. Transitional housing		
	s) Personal Services	8.5	
	i. Laundry and garment services		
	ii. Personal chef		
	t) Photography	9.5	
	i. Commercial photography		
	ii. Photograph restoration		
	u) Printing	15.5	

	v) Public Relations and Marketing	12.0	
	w) Real Estate	12.5	
	i. Appraisers		
	ii. Consultants		
	iii. Developers		
	iv. Property management		
	v. Sales		
	vi. Settlement and title services		
	x) Repair and Maintenance		
	i. Automotive service and repair	10.0	
	ii. Communication equipment service and repair	10.0	
	iii. Computer service and repair	20.0	
	iv. Elevator service and repair	10.0	
	v. Fire extinguisher service and repair	10.0	
	vi. Furniture reupholster and repair	10.0	
	vii. Office machine services and repair	10.0	
	viii. Other		
	y) Residential Care	15.5	
	i. Assisted living facilities		
	ii. Domiciliary care facilities		
	iii. Health care aides		
	iv. Senior citizens group homes		
	z) Security guards	20.0	
	i. Armed		
	ii. Unarmed		
	aa) Social Services	10.0	
	i. Children and youth services		
	ii. Daycare services		
	iii. Housing intervention		
	iv. Temporary shelter		
	bb) Telecommunications	27.5	
	i. Cabling services		
	ii. Communications systems installation and maintenance		
	iii. Local/long distance services		
	iv. Telephone installation services		
	v. Wireless services		
	cc) Travel agencies	10.0	

	dd) Warehousing and storage services	25.5	
	i. General (excluding refrigerated)		
	ii. Refrigerated		
	ee) Waste management (excluding transportation and disposal)	15.5	
	i. Chemical waste management		
	ii. Hazardous waste management		
	iii. Non-hazardous waste management		
2) <u>Professional</u>	(Excluding Architectural and Engineering)	12.5	
	a) Accountants and accounting services		
	b) Attorneys		
	c) Healthcare		
	i. Dentists		
	ii. Mental health practitioners		
	iii. Nurses		
	iv. Occupational therapist		
	v. Outpatient care centers		
	vi. Pharmacists		
	vii. Physical therapists		
	viii. Physicians		
	ix. Registered dietitians		
	x. Speech therapists		
	xi. Substance abuse centers		
	xii. Veterinary services		
	d) Laboratories		
	e) Planning		
	i. Transportation		
	ii. Urban		
	f) Scientists		
3) <u>Transportation</u>			
	a) Courier/messenger	25.5	
	b) Local delivery		

	c) Passenger	11.0	
	i. Ambulatory		
	ii. Bus		
	iii. Limousine		
	iv. Special needs		
	v. Taxi		
	d) Trucking	27.0	
	i. Chemical transport		
	ii. Fuel delivery		
	iii. Hazardous materials collection and disposal		
	iv. Local hauling		
	v. Long distance hauling		
	vi. Non-hazardous materials collection and disposal/roll-off services		
	vii. Specialized freight		
	e) Support services	10.0	
	i. Packing and crating		
	ii. Parking lot/garage management		
	iii. Towing		
	iv. Traffic maintenance		
	v. Transportation management/scheduling		