



TOM WOLF, GOVERNOR

Fiscal Year 2020-2021  
Small Business Opportunities  
Annual Report

PENNSYLVANIA DEPARTMENT OF GENERAL SERVICES

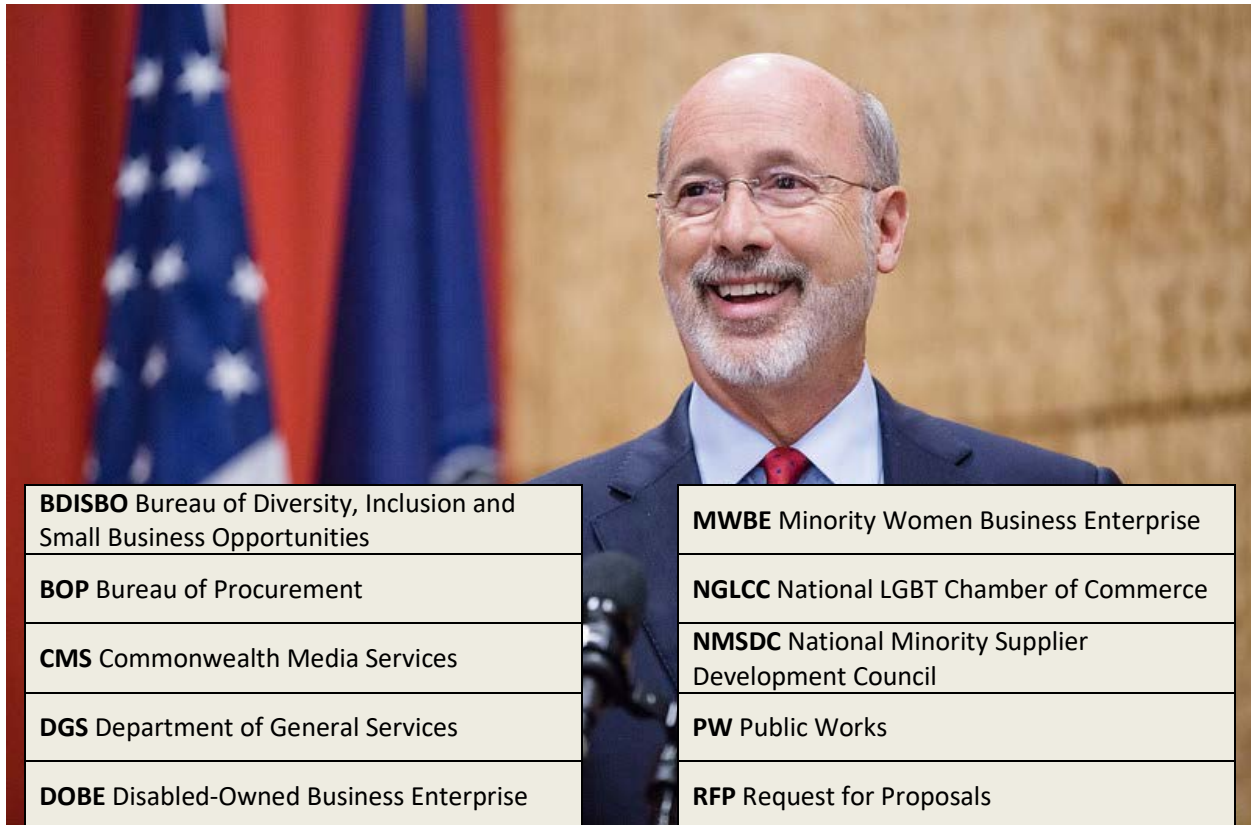
Curt Topper, Secretary  
PA Department of General Services

Kerry L. Kirkland, Deputy Secretary  
Bureau of Diversity, Inclusion & Small Business Opportunities

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# Glossary



<b>BDISBO</b> Bureau of Diversity, Inclusion and Small Business Opportunities	<b>MWBE</b> Minority Women Business Enterprise
<b>BOP</b> Bureau of Procurement	<b>NGLCC</b> National LGBT Chamber of Commerce
<b>CMS</b> Commonwealth Media Services	<b>NMSDC</b> National Minority Supplier Development Council
<b>DGS</b> Department of General Services	<b>PW</b> Public Works
<b>DOBE</b> Disabled-Owned Business Enterprise	<b>RFP</b> Request for Proposals
<b>FY</b> Fiscal Year	<b>RFQ</b> Request for Quotes
<b>GFE</b> Good Faith Efforts	<b>SB</b> Small Business
<b>HVAC</b> Heating, Ventilation & Air Conditioning	<b>SBA</b> US Small Business Administration 8a Program
<b>IFB</b> Invitation for Bids	<b>SBPI</b> Small Business Procurement Initiative
<b>ITQ</b> Invitation to Qualify	<b>SBR</b> Small Business Reserve
<b>JOC</b> Job Order Contracting	<b>SDB</b> Small Diverse Business
<b>LGBT</b> Lesbian, Gay, Bisexual or Transgender	<b>SDVBE</b> Service-Disabled Veteran Business Enterprise
<b>LGBTBE</b> LGBT Business Enterprise	<b>UCP</b> Unified Certification Program
<b>MBE</b> Minority Business Enterprise	<b>VBE</b> Veteran Business Enterprise
<b>MM</b> Medical Marijuana	<b>WBE</b> Woman Business Enterprise
<b>MPL</b> Minimum Participation Level	<b>WBENC</b> Women's Business Enterprise National Council

## Message from Secretary Curt Topper



On behalf of Governor Tom Wolf, I am honored to present the Department of General Services' (DGS) Annual Report on the participation of Small Businesses and Small Diverse Businesses in state contracting opportunities for Fiscal Year (FY) 2020-21.

Over the past 18-plus months, the Commonwealth has been faced with significant adversity, difficulty, and challenges, but as this report shows we were able to weather the storm and come back even stronger with a renewed commitment to ensuring that our small and small diverse businesses maintained their seat at the table of opportunity when doing business with the commonwealth.

Commonwealth spending on goods and services was up 15% to \$4.2 billion from \$3.7 billion the previous year. Spending with Small Businesses (SBs), Small Diverse Businesses (SDBs), and Veteran Business enterprises (VBEs) rose at a greater rate, to nearly \$856 million or 20% of total expenditures. This represents a 30% increase in small business participation year-over-year.

In 2019-2020, we implemented three new policy/program actions that helped move our progress along for SBs and SDBs in 2020-2021: the Small Business Reserve (SBR) delivered \$43 million in spend to SBs over 668 contract opportunities; goal setting for SDBs/VBEs was used by the department on 500 projects with an estimated budget totaling \$1.7 billion; and our Veteran Business Enterprise program grew. Finally, more than 100 new firms self-certified to do business with the commonwealth.

I am proud to share the news of this progress, and proud of our ongoing effort to ensure that it will be sustained over the coming years. I urge everyone to support SB900, which was recently introduced in the Pennsylvania Senate. This ground-breaking legislation will create certainty for the future of the DISBO program. It would ensure that the successful programs and policies we have established during the last seven years will remain in place well into the future, benefitting more than 5,000 small, diverse, and veteran owned businesses in Pennsylvania.

FY 2020-2021 is a snapshot of the success that is ahead for us. As always, I would like to recognize the members of the Governor's Advisory Council on Diversity, Inclusion, and Small Business Opportunities, commonwealth agency leadership, agency liaisons, procurement staff, the DGS Diversity Inclusion and Small Business Opportunities team and the Pennsylvania General Assembly for their dedication and commitment to the success of SBs, SDBs and VBEs in state contracting. I ask for your continued support as we work to make sure our progress continues uninterrupted.

Sincerely,

A handwritten signature in black ink, appearing to read 'Curt Topper', written over a light blue horizontal line.

Curt Topper, Secretary





## Message from Deputy Secretary Kerry L. Kirkland



We are pleased to release the Department of General Services (DGS) Fiscal Year (FY) 20-2021 Annual Report. Despite one of the most challenging years the commonwealth has endured in decades, the Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO) continues to make great strides regarding its small, small diverse and veteran businesses. On behalf of the entire BDISBO team, I would like to thank Governor Wolf, Secretary Topper and our Advisory Council for their leadership, support, and small diverse business advocacy.

The COVID-19 challenges have disproportionately impacted small and small diverse businesses here in Pennsylvania and across the country. Nationally, forty-one percent (41%) of African American businesses have shuttered during the Pandemic. The US Chamber of Commerce indicates that Women Owned Small Businesses are less optimistic regarding future revenues, investments, and increased hiring plans. Supply chain disruption and escalating cost of materials have presented significant issues for small and small diverse businesses.

Despite these circumstances, the seeds we planted over the past six years to increase opportunities for SBs, SDBs and VBEs are taking root and showing signs of significant new growth. For the first time in the history of the Commonwealth, our Small and Small Diverse spend reached a record \$856 Million during this fiscal year. This represents a 30 percent increase over the past six years. As of this reporting period, total payments to MBEs increased 69% and they grew nearly six percentage points to 33.35% of all payments made to SDBs and VBEs. (See Figure 5B)

While there may be critical economic challenges ahead, we remain committed to increasing diversity in commonwealth contract awards that utilize public funds. DGS, BDISBO will remain steadfast in our efforts to help SBs, SDBs and VBEs recover and thrive in Pennsylvania. The momentum gained over the past six years with committed stakeholders, agencies, policy makers, professional associations, and the business community must lead to a program that is codified to secure equity in commonwealth contracting opportunities.

We have laid the groundwork to obtain bipartisanship in the Pennsylvania Senate for the passage of Senate Bill 900. When this Bill is passed, it will legislate our programs to ensure an unbiased environment where small businesses, especially small diverse and veteran owned businesses, can thrive and compete with the utmost confidence that they are operating on a level playing field when doing business with the Commonwealth. A one-page summary highlighting some of this fiscal year results are presented on the next page.

Sincerely,

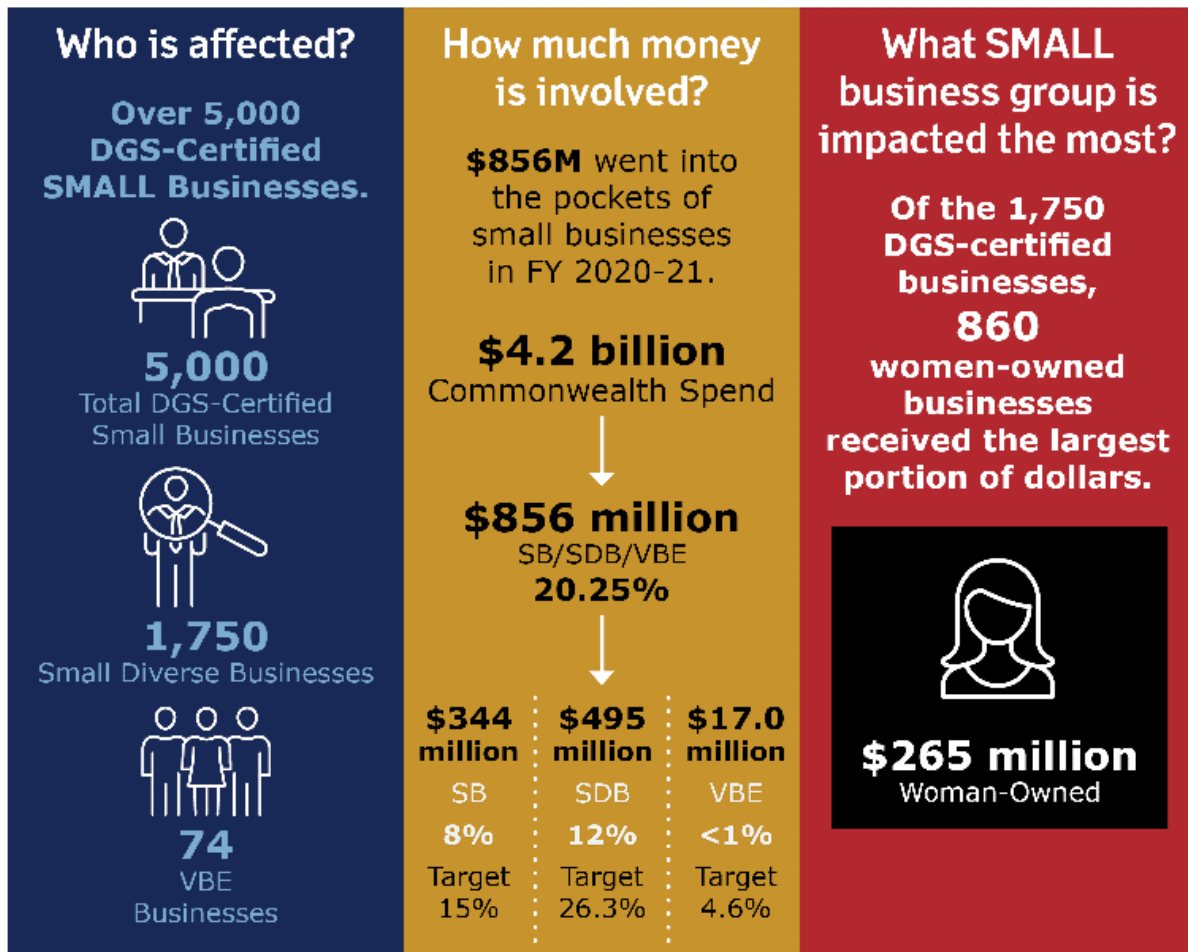
A handwritten signature in black ink that reads "Kerry L. Kirkland". The signature is written in a cursive, flowing style.

Kerry L. Kirkland, Deputy Secretary



# Commonwealth of Pennsylvania

## Small, Small Diverse and Veteran Business Program Results



**668 Small Business Reserve Designated Contracts = \$43 million**

### What is the historical impact?

Over the years, BDISBO's efforts to engage small businesses in commonwealth procurements is on an upward trend for increasing the dollars going into the hands of small businesses.

	2015	2016	2017	2018	2019	2020
Total Spend	\$4,660,342,952	\$4,753,794,240	\$4,741,000,408	\$4,405,260,673	\$3,689,203,668	\$4,225,352,805
SB	\$108,679,236	\$162,101,041	\$207,185,975	\$302,090,411	\$292,667,768	\$343,592,302
% SB	2.33%	3.41%	4.37%	6.86%	7.93%	8.13%
SDB	\$229,734,653	\$216,061,746	\$310,102,771	\$460,065,706	\$355,176,871	\$495,236,992
% SDB	4.93%	4.55%	6.54%	10.44%	9.63%	11.72%
VBE	\$15,917,551	\$27,764,806	\$19,424,253	\$24,495,273	\$12,669,750	\$16,908,985
% VBE	0.34%	0.58%	0.41%	0.56%	0.34%	0.40%
Overall SB, SDB & Vet	\$354,331,440	\$405,927,593	\$536,712,999	\$786,651,390	\$660,514,389	\$855,738,279
% Overall SB, SDB & Vet	7.60%	8.54%	11.32%	17.86%	17.90%	20.25%

Source: FY 2020-21 BDISBO Annual Report

# Introduction



This report written by the Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO) provides the Pennsylvania public and members of the Pennsylvania General Assembly with information about the participation of Small Businesses (SBs), Small Diverse Businesses (SDBs), and Veteran Business Enterprises (VBEs), including those owned by minority, woman, LGBT, disabled, service-disabled veteran, and veteran business owners, in commonwealth contracting opportunities during FY 2020-21 as required by

Section 2107 of the Commonwealth Procurement Code, 62 Pa. C.S. §2107 and Section 9607 of the Military Affairs Code, 51 Pa. C.S. §9607.

## Who We Are

BDISBO is comprised of dedicated commonwealth professionals who believe the importance to our mission is creating a more fair and equitable landscape where both small and diverse businesses can compete for state contracting opportunities. Whether it involves the areas of compliance, certification/verification, policy, technical assistance, or outreach and education, the BDISBO team stands ready to make the experience with the commonwealth a positive and productive one.

## Our Mission

BDISBO seeks to educate and advocate for the small and small diverse businesses. As an advocate, we seek to influence policy, programs, and legislation to meet the needs of the small business community. Our primary mission is to actively, equitably and successfully engage small, and minority businesses in the commonwealth's public procurement process as one of the ways to fuel our economy.

## Our Vision

BDISBO facilitates an open, inclusive, and accessible business environment where small businesses can develop or expand their competency, capacity, and footprint in the commonwealth marketplace.

## What We Do

We offer small businesses the opportunity to compete for commonwealth contracting opportunities. BDISBO's duties and scope of services encompass the following areas of influence:

- **Policy** – Developing more efficient protocols and re-examining existing policies to ensure that they are conducive to the advancement of our bureau's mission and vision.
- **Outreach** – Proactively engaging both diverse communities and business owners to educate them about the contracting opportunities that presently exist and will be emerging with the commonwealth.
- **Technical Assistance** – Providing direct guidance and employing a hands-on approach in the way that we assist our existing and prospective customers who are interested in doing business with the Commonwealth.

- **Agency Liaison Program** – Establishing and broadening the lines of communication between BDISBO and the state agencies under the Governor's jurisdiction to ensure that there is greater utilization of small and small diverse businesses relative to available commonwealth contracting opportunities.
- **Certification Verification** – Ensuring that entities that wish to do business with the commonwealth are eligible to participate in DGS's Small Business Contracting Program or its Small Diverse Business or Veteran Business Enterprise programs. BDISBO facilitates the verification of certifications for participating businesses.
- **Goal Setting/Waivers** – The commonwealth has implemented a new goal setting policy based on recommendations in the 2018 disparity study. Full implementation went into effect in the Summer of 2020. This new policy replaced the commonwealth's scoring methodology which allocated 20% of the total evaluation points for commitments to utilize Small and Small Diverse Businesses.
- **Compliance** – One of BDISBO's most important functions is to monitor the actions of program participants to ensure that they are honoring their contractual commitments. Therefore, it is not lost upon the Bureau that any aspirational goals advanced by the Bureau cannot be realized without some semblance of oversight and accountability.
- **Stakeholder Engagement** – Success of any kind cannot be achieved in a vacuum. It is for this reason that we actively solicit the ideas and input of individuals, business owners, policymakers, and other interested parties to ensure that the Bureau's efforts and internal policies are collaboratively forged.
- **Disparity Study** – BDISBO is utilizing this tangible document as a touchstone for driving our programmatic and measuring the overall success of DGS's Small Business Contracting Program and Small Diverse Business and Veteran Business Enterprise programs. View DGS's 2018 Disparity Study [here](#).

## What We Value

**Diversity and Inclusion** – In light of the findings highlighted in our October 2018 Statewide Disparity Study, we recognize now more than ever that there needs to be greater parity in the way that the Commonwealth engages and awards opportunities to small and diverse businesses. Although BDISBO has always placed a very high premium on the principles of diversity and inclusion, the findings of the statewide disparity study serve to undergird our efforts to expand access to Commonwealth contracting opportunities for duly certified small and small diverse businesses.

**Customer Service** – In an effort to dispel the notion that doing business with the Commonwealth is both daunting and complex, BDISBO professionals make themselves readily available to answer agency/bureau-related questions and assist our customers with navigating throughout the state procurement/contracting process.

**Innovation & Efficiency** – In recognition of the fact that there is always room for improvement in every sphere of human endeavor, the BDISBO staff are constantly exploring ways to make your experience more meaningful and efficient. The Bureau also encourages and welcomes feedback from the public about ways we can make your interaction and experience with the Commonwealth a favorable one.

**Integrity** – Given that BDISBO's mission is predicated on the principles of fairness and equitable access to economic opportunities, the BDISBO staff take great pride in applying these very same principles in



the way that we administer our commonwealth-sanctioned duties. Therefore, our customers -- whether small, large, upstart, or experienced -- can rest assured they are receiving a standardized level of customer care and professional service.

**Stakeholders** – BDISBO values its stakeholders and recognizes their experience and influence are vital to BDISBO's mission and vision. Towards this end, BDISBO takes an immense degree of pride in collaborating with its stakeholders in areas that include but are not limited to the development of public policy, the convening of business development forums, and community engagement.

## Section 1.0 Program Overview

### 1.1 Commonwealth Disparity Study

#### Implementation of the Disparity Study Recommendations

In his first year in office, Governor Tom Wolf signed Executive Order 2015-11 to get the commonwealth on a path of improvement in the quality and quantity of opportunities for SBs and SDBs to participate in state government contracting and the commonwealth's overall economy.

The Commonwealth of Pennsylvania's first-ever comprehensive disparity study, which was completed in 2018, examined the extent to which SDBs and VBEs face discrimination in commonwealth contracting. The disparity study examined participation levels of SDBs and VBEs in commonwealth contracts over a five-year period, marketplace conditions, contracting policies, program measures, and legal compliance, thereby identifying disparities in the participation of SDBs and VBEs in commonwealth contracting. The disparity study report also contained recommendations to reduce the disparity in commonwealth contracting to SDB and VBE firms.

Following the conclusion of the Disparity Study, DGS began implementing some of the recommendations. These changes included improvements to the Small Business Reserve (SBR) program, expanding opportunities for VBEs, and implementing the new goal setting program to replace the scoring methodology that was in place at the time.

#### Implementation of a Goal Setting Program

An internal steering committee comprised of DGS leadership guided the implementation. Steering committee members made up of executive-level individuals, such as the secretary of the Department General Services, deputy secretaries, agency counsel, and bureau directors, provided strategic vision and guidance and acted as the final decision-makers on key issues. DGS also established a project team led by a project manager/consultant from an SDB firm and comprised of upper and middle management staff from the Bureau of Procurement (BOP), Public Works (PW), and the Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO). The project team was responsible for establishing the processes, forms, trainings, and any other items needed to successfully implement goal setting and other disparity study recommendations. The Office of Administration also provided a business relationship manager who was



responsible for managing the acquisition and implementation of new software to be used by BDISBO to support goal setting and ongoing contract compliance.

The project team also formed sub-committees to specifically focus on various issues critical to the adoption of program changes. Some areas included buy-in of the goal setting program, creating forms, modifying information technology to ensure a smooth transition to BDISBO's new IT software, policies and processes to document and memorialize programmatic changes. Training to ensure awareness and understanding by other agency procurement offices, commonwealth vendors, and SDB and VBE firms required creative delivery methods and presentations since BDISBO was limited to virtual communications.

We would like to highlight the work performed by the Adoption sub-committee, which focused on activities guided by organizational change management principles. Understanding the human and corporate processes of change and moving to incorporate industry change management principles, the sub-committee looked to activities that would assist procurement staff and the vendor community to adopt the new goal setting program as their own. The department's press secretary and a member of the business transformation department were added to assist in crafting and directing outreach and communications efforts.

Beginning in July 2019, the project entered the pilot phase, which acted as a testing ground for processes, forms, and policies developed in the first months of 2019. Lessons learned during this phase helped ensure that processes, forms, and internal staff were properly prepared for full implementation, smoothing the transition, and ensuring the vendor community was well served.

COVID-19 impacted this project just as it did with everything else around us. Although DGS transitioned to teleworking in a nearly seamless fashion with meetings and related project work continuing unabated, the implementation timeline needed to be extended because of the initial freeze on agency procurements. Additionally, staff involved in the project were sent into high gear managing procurements for items required for the commonwealth's emergency response to the pandemic. After working through the initial push with COVID-related work, the steering committee determined they could safely set new implementation dates.

Official implementation of goal setting and a myriad of new processes went into effect on Public Works construction solicitations on June 15, 2020, and non-construction BOP procurements on August 17, 2020. Due to new telework arrangements, BDISBO engaged in training hundreds of procurement staff and program managers via virtual sessions. BDISBO along with procurement staff from various agencies across the commonwealth have established over 340 SDB/VBE goals on projects with an estimated budget of over \$1.7B, that is nearly 40% of the commonwealth's expenditures applicable to the small business programs.

## Reinvigoration of the Small Business Reserve Program



In accordance with constitutional guidelines to increase spending opportunities with small businesses, the commonwealth intentionally directed significant efforts to the re-invigoration of the SBR program. The SBR program enables businesses of similar sizes (100 or fewer employees) and resources to compete among each other for specific state government contract opportunities as prime contractors. All commonwealth agencies under the governor’s jurisdiction have been directed to identify and target 15 % of their total agency spend for SBR procurements. To facilitate achieving this target, BDISBO worked one-on-one with agency

liaisons and chief procurement officers to review upcoming solicitations, trends in spending, and networking opportunities to engage the small business community on a higher level.

## Full Implementation of the Goal Setting Policy

By the end of August 2020, goal setting replaced the scoring process used for SB/SDB participation on best value procurements. To implement this change, a new goal setting policy was drafted and issued. This policy requires that participation goals be individually tailored on a case-by-case based on the market and geographic availability of SDBs. Participation goals are set for all procurements - including IFBs or low bid procurements – valued at \$250,000 or above for supplies and services and \$400,000 or above for construction and design professional services. The SDB and VBE participation goals are stated in each solicitation. Bidders or offerors are required to meet those goals as part of their bid or proposal to do business with the commonwealth or may seek a good faith effort waiver from those goals to ensure that the initiative complies with constitutional requirements.

We are pleased that our programmatic results are continuing to trend upward and have resulted in increased earnings for SBs and SDBs through their engagement with the commonwealth. SDB utilization shows the greatest increase by two percentage points, representing an additional \$140 million in the pockets of SDB firms. We have also seen increases in the spend to VBE firms which we believe are a direct result of BDISBO’s efforts in re-educating procurement staff on the small business reserve program and continued involvement in monitoring subcontracting compliance. See category summary comparing fiscal years in [TABLE 1A](#).

**TABLE 1A FISCAL YEAR COMPARISON OF THREE SMALL BUSINESS PROGRAMS**

		FY 2019-20		FY 2020-21		Aspirational Target
<b>Small Business</b>	Prime	6.07%	7.93%	7.46%	8.13%	Designate 15% Agency Spend
	Sub	1.86%		0.67%		
<b>Small Diverse Business</b>	Prime	2.46%	9.63%	2.85%	11.72%	26.3%
	Sub	7.17%		8.87%		
<b>Veteran-Owned Business</b>	Prime	0.21%	0.34%	0.17%	0.40%	4.6%
	Sub	0.13%		0.23%		

## Continuation of the Agency Liaison Program

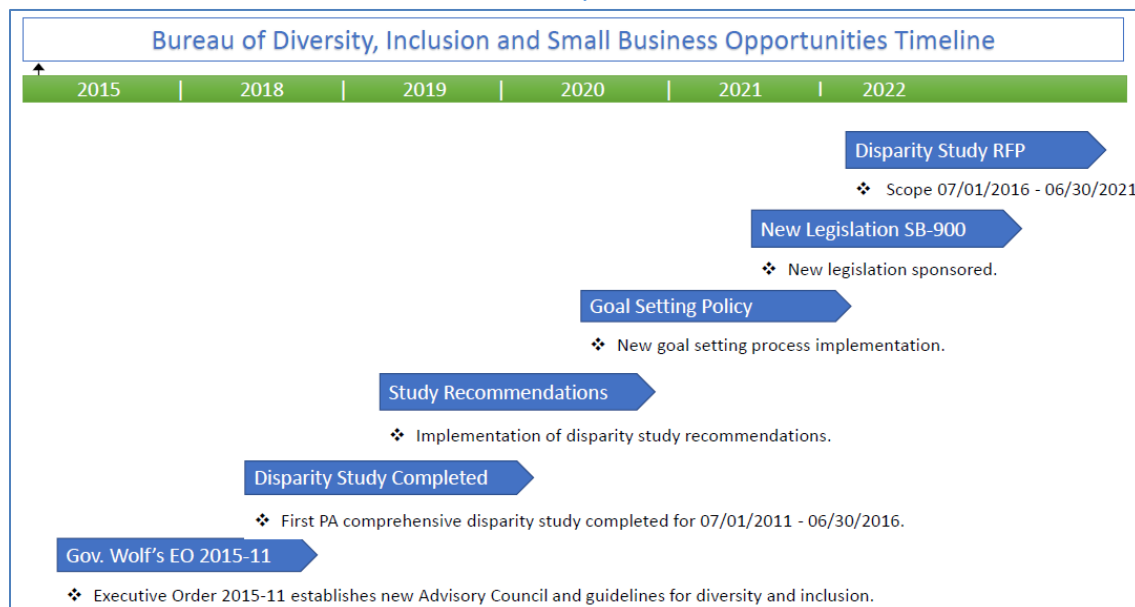
The Agency Liaison Program evolved out of Governor Tom Wolf’s Executive Order 2015-11 which promotes diversity, inclusion, and small business opportunities. The Executive Order addresses the need for better agency coordination and a continuous focus on increasing opportunities for SBs, SDBs, and VBEs. Twenty-six deputy secretary-level Agency Liaisons act as the official Agency points of contact working with BDISBO to implement and oversee the SBR, SDB, and VBE programs. Agency Liaisons are the small business champions responsible for participating in quarterly trainings which cover policy education, inclusion strategies and the sharing of best practices. As a result, we are seeing greater adoption and promotion of diversity, equity, and inclusion efforts in contracting due to programmatic buy-in from agencies’ top management. The stronger the relationship between the Agency Liaison, procurement senior staff, and BDISBO, the more likely we are to meet the Aspiration Targets identified in the Disparity Study for SB, SDB, and VBE utilization, as we highlight elsewhere in this report. Because of this internal collaboration, other authorities and state affiliated entities, *not subject to Commonwealth procurement policies*, are initiating conversations with BDISBO about how they may increase their utilization with small businesses within their own organizations.

## 1.2 Procurement Policy Overview

The statutory requirements associated with commonwealth contracting and DGS’s duties relative to providing assistance to SBs and SDBs are found in the Commonwealth Procurement Code, 62 Pa.C.S. §§ 101 et seq., and for veterans and service-disabled veterans in the Military Affairs Code at 51 Pa.C.S. §§ 9601 et seq. In accordance with its statutory authority, DGS establishes policies and procedures that commonwealth agencies are required to follow when awarding contracts.

BDISBO along with statewide procurement staff worked feverishly this fiscal year to implement most of the recommendations made in the 2018 Disparity Study. The activities that DGS embarked upon this year were crucial milestones in the sustainability and constitutionality of these programs. **FIGURE 1A, TIMELINE FOR THE BUREAU OF DIVERSITY, INCLUSION, AND SMALL BUSINESS OPPORTUNITIES** shows the historical timeline of the Commonwealth’s movement regarding the SB, SDB, and VBE programs.

**FIGURE 1A TIMELINE FOR THE BUREAU OF DIVERSITY, INCLUSION AND SMALL BUSINESS OPPORTUNITIES**



The following are highlights of BDISBO’s activities which included implementing the recommendations from the 2018 Disparity Study:

- Continued re-invigoration of the Small Business Reserve Program
- Revised policies, forms, and processes
- Implemented new comprehensive managerial software
- Conducted over 50 pilot procurements using the new goal setting processes
- Trained hundreds of procurement staff, counsel, and businesses
- Implemented the official policy during summer 2020
- Proposed bi-partisan sponsored legislation
- Began developing RFP for next Disparity Study, scheduled to be issued in early 2022

### 1.3 Proposed Legislation Executive Summary

In addition to the formal implementation of major policy changes, BDISBO sought to introduce legislation to amend Title 62 (Procurement) and Title 51 (Military Affairs) of the Pennsylvania Consolidated Statutes. This legislation would codify these socio-economic programs to continue the unprecedented successes for the small business community.



Comments and accolades by Governor Wolf were delivered at a press conference supported by bipartisan co-sponsors.

*“We have been very successful in implementing policies and programs that give our small-, diverse- and veteran-owned businesses a fairer and more equitable chance to compete for – and obtain – contracting opportunities with state government,” Governor Wolf said. “We also know the role that consistency plays in ensuring the continued success of any policy or program, which is why this effort to legislatively establish the programs and policies*



*administered through the Department of General Services Bureau of Diversity Inclusion & Small Business Opportunities is so significant.*

*“The progress we’ve made is a result of the willingness of elected officials and private sector stakeholders to put politics to the side and focus on the issue at hand – helping our small, diverse and veteran businesses become stronger and thrive in our economy. This legislation is a continuation of those bipartisan efforts.”*



Department of General Services Secretary Curt Topper along with Deputy Secretary, Kerry Kirkland and many of the co-sponsors also shared their excitement and pride over the commonwealth's success with socio-economic programs over the years and why this legislation is timely and important to the small business community.

Details and the intended impact of this proposed legislation are as follows:



#### Changes to Title 62 (Procurement Code)

- This legislation would amend Chapter 21 of the Pennsylvania Procurement Code which currently contains a limited statutory framework for the current program administered by BDISBO. The legislation would divide Chapter 21 into two Subchapters. Subchapter A would include the provisions applying generally to the SDB programs administered by BDISBO and provisions that apply specifically to procurements of supplies and services. Subchapter B would be a new addition to Chapter 21 and would outline the program as it applies to procurement of Construction and Design Professional Services. BDISBO is seeking this separation to ensure that aspects of the programs continue in the event of a legal challenge.
- Both Subchapters would change the terminology of the program from “Disadvantaged business” to “Small Diverse Business” to align with BDISBO’s current program terminology. It also would remove the 100-employee limit from the definition of a SB and allow size and other eligibility requirements to be set by policy or regulation, allowing BDISBO to set size and revenue limits on an industry-by-industry basis and in a manner that is more consistent with federal program eligibility requirements.
- Both Subchapters include language which would require that a Disparity Study be completed every five years to ensure that both programs meet constitutional requirements, and that aspirational targets for SDB participation be set based upon the results of the Disparity Study.
- Both Subchapters would require the setting of contract-specific goals and allow bidders or offerors to seek good faith effort waivers from those goals, which is required to meet constitutional requirements that a program be flexible.
- Subchapter A would contain a statutory framework for the Agency Liaison program, which will ensure agency participation and buy-in to the BDISBO-administered programs.



#### Changes to Title 51 (Military and Veterans Code)

- This legislation would amend Chapter 96 of the Pennsylvania Military and Veterans Code which now contains a limited statutory framework for the current program administered by BDISBO as it applies to Veteran-Owned Small Businesses and Service-Disabled Veteran-Owned Small Businesses.

- Because programs giving preference to veterans are race- and gender-neutral, they are subject to the lowest standard of constitutional legal review. For that reason, and because a veteran preference program is less likely to be successfully challenged from a constitutional perspective, this proposed legislation would not create separate Subchapters as it does for the Small Diverse Business Programs.
- This legislation would include a definition of “Veteran Business Enterprise (VBE)” to include both Veteran-Owned Small Businesses and Service-Disabled Veteran-Owned Small Businesses for ease of reference. Because the current statutory language sets the eligibility standards based upon the definition of Small Business in Title 62, the changes involving size eligibility that are described above would also apply to VBEs.
- This legislation would allow for a Disparity Study be completed and an aspirational target for VBE participation be set based upon the results of the Disparity Study. However, any aspirational target could not be less than the annual goal of 3% currently in statute. BDISBO envisions that an analysis on VBE availability and utilization could be folded into the Disparity study that would be conducted regarding SDBs.
- This legislation would require the setting of contract-specific goals and allow bidders or offerors to seek good faith efforts waivers from those goals.



## 1.4 Outreach

The BDISBO Outreach team has continued to reach for excellence to fulfill its mission to support SB, SDB, and VBE firms. Despite the global pandemic, we attempted to be resilient, creative, and tenacious in our efforts to virtually communicate and educate internal staff and external stakeholders. Throughout the fiscal year, BDISBO attended or hosted nearly one hundred networking events, supplier forums, pre-bid or pre-proposal conferences, trainings, and workshops. BDISBO prides itself on sharing knowledge regarding policy, procurement, certification, and opportunities not only with the SB community, but with legislators, agency staff, prime contractors, key stakeholders, and the media. The most exciting change made to our outreach program was to host educational networking events by industry in order to further enhance opportunities for the business community to meet the buyers of their specific goods or services on a more personal level.

## Section 2.0 SBs, SDBs and VBEs in Pennsylvania



### 2.1 Small Businesses

To be designated by the commonwealth as an SB, vendors must self-certify their eligibility to participate in the SB contracting program every two years through an online application. Any business that is independently owned, for-profit, not dominant in its field, has 100 or fewer full-time employees, and whose 3-year average gross revenues does not exceed \$38.5 million is eligible to self-certify as a SB.

DGS self-certified SBs provide an array of goods and services, such as staffing, software,

information technology consulting, project management, construction services and supplies, legal services, and office supplies.

Self-certification as an SB is also the first step in the process of becoming a DGS-verified SDB and VBE in Pennsylvania. As such, the three categories are not mutually exclusive. The SB totals reported include SDBs and VBEs as a subset.

During FY 2020-21, the number of self-certified SBs grew 3.5%, from 4,866 to 5,034 over the prior fiscal year. This signifies a rebound from the previous year which recorded a drop of 1.64%, a consequence of the transition from a one- to two-year certification period in July 2017.

Although most self-certified SBs are located within the commonwealth, self-certification is not restricted to businesses incorporated or residing in Pennsylvania. The distribution of businesses across these four regions remains stable since the last fiscal year as illustrated in [FIGURE 2A, SMALL BUSINESSES BY COUNTY](#).

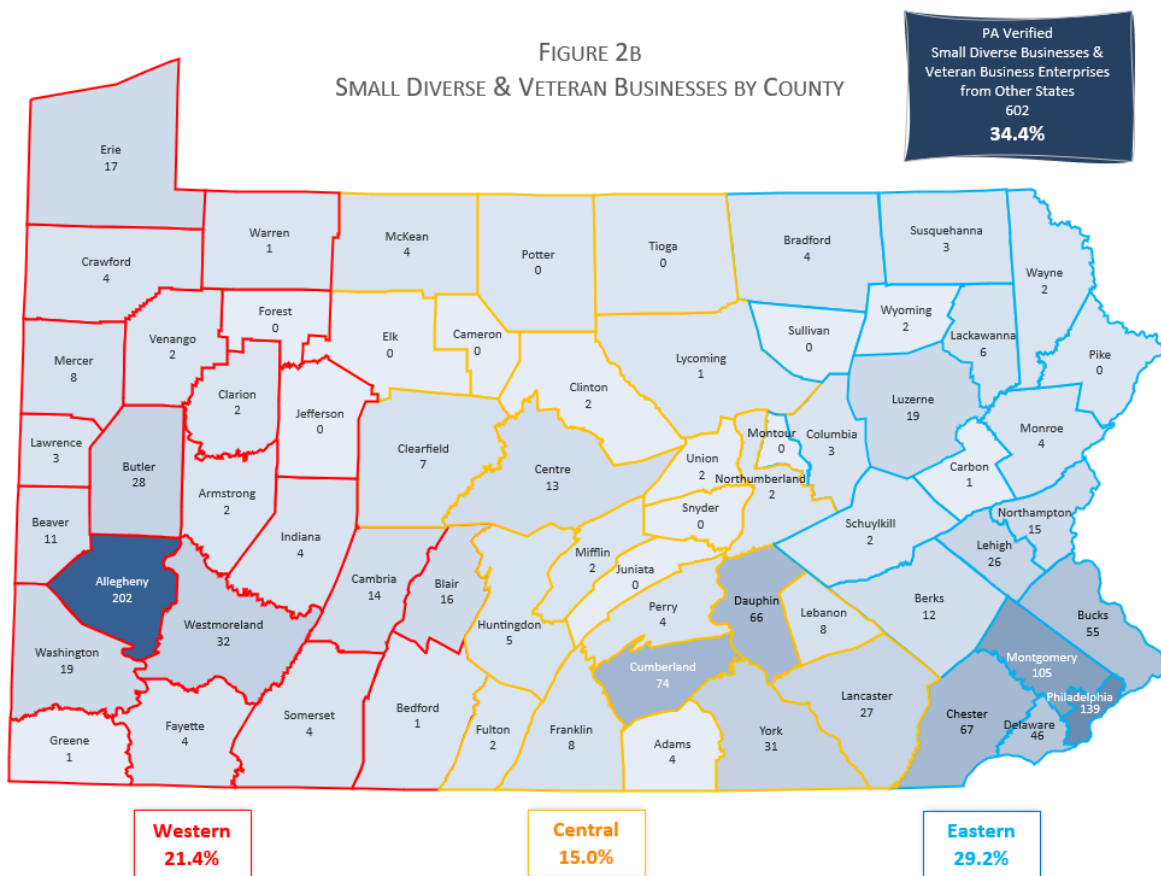


disabled owned) VBEs from the category of SDBs, creating a new VBE program. As with SDBs, vendors must periodically self-certify their eligibility to participate in the SB contracting program and then submit additional proof of active certification as VBEs or SDVBEs through The Vets First Verification Program or Disability:IN.

Service-disabled veteran-owned businesses and veteran-owned businesses that also certify through third parties approved for SDB verification as minority, woman, LGBT, or disabled-owned businesses qualify for both the VBE and SDB programs. This results in some overlap of the numbers between the two programs. For this report, all SDVBEs and VBEs maintaining concurrent SDB verifications will be considered SDBs.

Because SB self-certification is a prerequisite for SDB and VBE verification, SDB verifications rebounded along with the SB certifications during the last fiscal year. The total number of verified SDBs (which includes SDVBEs and SDB-verified VBEs) grew 5.8% to 1,750 during FY 2020-21, while the total number of VBEs increased 48% to 74. Diving deeper into the SDB numbers, MBEs grew by 2.5%, WBEs by 5.1%, LGBTBEs by 18.2%, DOBEs by 6.7%, and SDVBE by 40.8%. MWBEs decreased by 14.3%.

As shown in **FIGURE 2B, SDBs AND VBEs BY COUNTY**, is a graphical representation of the distribution of verified SDBs and VBEs throughout Pennsylvania. Of the SDBs, 360 (21%) were headquartered in **Western PA**; 244 (15%) in **Central PA**; and 486 (29%) in **Eastern PA**. The remaining 586 (35%) are considered **Out-of-State**. Of the VBEs, 15 (20%) were headquartered in **Western PA**; 18 (24%) in **Central PA**; and 25 (34%) in **Eastern PA**. The remaining 16 (22%) are considered **Out-of-State**.





As follows, [TABLE 2A](#) and [FIGURE 2C](#) summarize the number of businesses at a high level while [TABLE 2B](#) and [TABLE 2C \(SEE APPENDIX\)](#) provide detailed breakdowns, including regional and county data on SDBs and VBEs verified by DGS.

**TABLE 2A VERIFIED SDBs & VBEs BY GENERAL CLASSIFICATION**

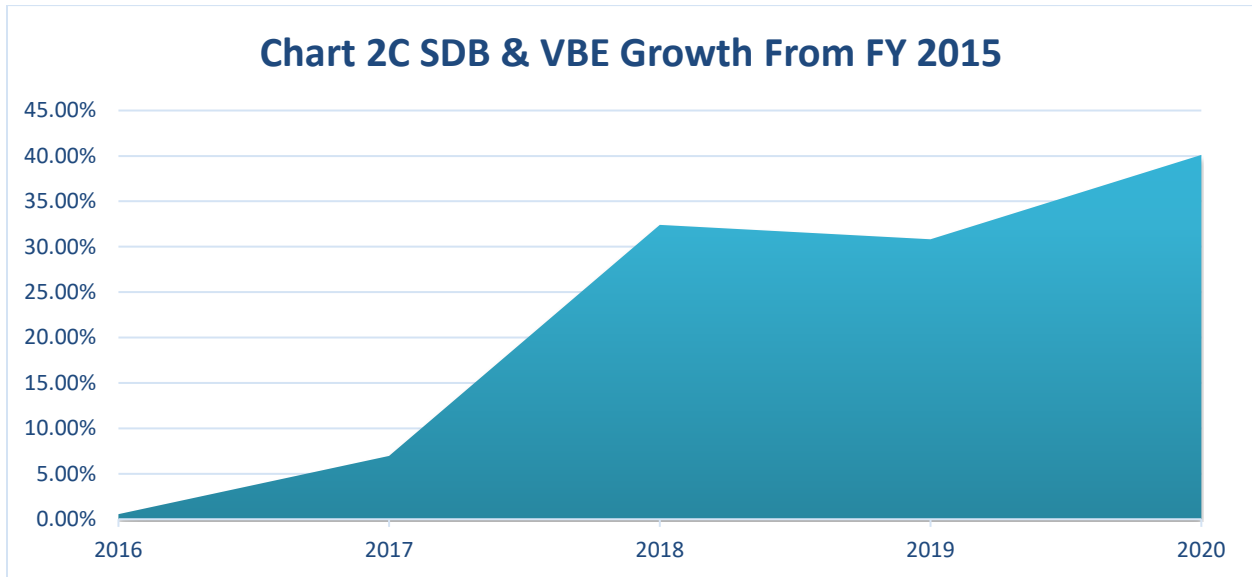
Classifications	# of SDBs	% of SDB
Minority Business Enterprises (MBEs)	490	28%
Women Business Enterprises (WBEs)	860	49%
Minority Women Business Enterprises (MWBEs)	108	6%
LGBT Business Enterprises (LGBTBEs)	26	1%
Disability-Owned Business Enterprises (DOBEs)	16	1%
Service-Disabled Veteran Business Enterprises (SDVBEs)	176	10%
Veteran Business Enterprise (VBEs)	74	4%
<b>Grand Total</b>	<b>1,750</b>	<b>100%</b>

**TABLE 2B SDB AND VBE VENDOR CLASSIFICATIONS**

SDB Vendor Classification	Companies Verified	Percentage of Total Population
Minority Business Enterprise (M)	485	27.71%
Minority, LGBT Business Enterprise (MG)	2	0.11%
Minority, Service-Disabled Veteran Business Enterprise (MS)	9	0.51%
Minority, Veteran Business Enterprise (MV)	5	0.29%
Woman Business Enterprise (W)	857	48.97%
Woman, Disabled-Owned Business Enterprise (WD)	4	0.23%
Woman, LGBT Business Enterprise (WG)	5	0.29%
Woman, Service-Disabled Veteran Business Enterprise (WS)	3	0.17%
Woman, Veteran Business Enterprise (WV)	3	0.17%
Minority, Woman Business Enterprise (MW)	108	6.17%
Minority, Woman, Disabled-Owned Business Enterprise (MWD)	1	0.06%
Minority, Woman, Service-Disabled Veteran Business Enterprise (MWS)	3	0.17%
LGBT Business Enterprise (G)	19	1.09%
LGBT, Disabled-Owned Business Enterprise (GD)	1	0.06%
Disabled-Owned Business Enterprise (D)	10	0.57%
Service-Disabled Veteran Business Enterprise (S)	161	9.20%
Veteran Business Enterprise (V)	74	4.23%
<b>TOTAL</b>	<b>1,750</b>	<b>100%</b>

*Note:* Due to rounding of percentages, data may not add up to 100%. DGS has not listed SDB designations with no verified vendors.

**FIGURE 2C** depicts the 40% growth of the number of the SDB and VBE businesses interested and registered in the DGS database ready to do business with the commonwealth.



### 2.3 Mentor Protégé Program

In late February of 2020, BDISBO opened the application period for the 2020 Mentor-Protégé Program for a planned April launch. Unfortunately, COVID-19 arrived in Mid-March, forcing the PA Emergency Declaration from Governor Wolf which closed commonwealth facilities and resulted in a work-from-home mandate for state employees. BDISBO was forced to halt the launch of the 2020 Mentor Protégé program. BDISBO worked to keep our mentors and proteges informed of federal, state, and local programs providing direction, resources, and funding to assist small business in responding to the crisis. BDISBO coordinated educational webinars and multiple communications sharing valuable information to help our mentors and proteges access critical support programs geared to assisting them manage the “new normal” business landscape.

Many of our previous participants have continued to work together. They share best practices, re-assess goals to find new opportunities, and work to preserve existing businesses while literally re-inventing workspaces and responding to the almost daily changes to business operations as our country rose to respond to the pandemic.

### 2.4 Mentor Protégé Program PCN & Unisys Testimonial

As a charter member in Pennsylvania Governor Tom Wolf’s pioneering Small Diverse Business (SDB) Mentor-Protégé Program (MPP), Unisys Corporation mentored two SDBs – LingaTech Inc. and PC Network Inc. (PCN) - in the first four years of the program. Unisys is committed to the development and improvement in the quality and quantity of opportunities for SDBs, including minority, women or veteran-owned businesses across the country and globe.



PCN looked to the mentor protégé relationship with Unisys to build capabilities and to drive business growth. The expertise and experience Unisys shares with PCN throughout the MPP has been instrumental to

enhancing PCN's offering portfolio, marketing collateral, pricing model, go-to-market strategy, and overall delivery capabilities.

Commitment to the mentoring process was evident from both Unisys and PCN. Over an 18-month period, senior Unisys leaders met on a regular basis with the PCN team – each party investing an average of 10 hours per month. Unisys tapped global experts across disciplines to provide insight and push PCN's thinking. PCN was invited by Unisys to conduct a joint client-facing meeting with commonwealth Office of Administration leadership, conducted mock demo and presentation sessions and helped PCN fine-tune their marketing message. Unisys reviewed, refined, and helped finalize the PCN offering portfolio and marketing collateral. Unisys provided PCN a platform in Unisys innovation series for the commonwealth to highlight PCN



capabilities and industry experience. The relationship was never a one-way street, as exemplified by PCN providing Unisys a significant opportunity to collaborate in the enterprise transportation sector – identifying a multi-year opportunity in which the two firms have partnered to offer a unique value to the potential client.

MPP program participation can yield strategic long-term benefits to Mentors and Protégés. Patience and commitment are table stakes. Engagement is a two-way street with both parties benefiting from the relationship. The commonwealth also benefits, when small diverse businesses mature and grow out of the SDB status and when prime partners diversify their supply chains creating more and higher-quality opportunities for diverse, local entities.

## 2.5 Mentor Protégé Program LingaTech & Unisys Testimonial



LingaTech is a DBE/MBE certified, PA Small Diverse Business located in Harrisburg, PA. In 2012, Kathir and Primajoy Ramalingam founded LingaTech based on their passion for designing, building, and implementing IT solutions that bring efficiency to the business of government. In the last nine years, they have followed that passion and led LingaTech teams to award-winning

solutions that realized savings and efficiencies for the Commonwealth of Pennsylvania.

LingaTech, as PA Small Diverse Business, benefited considerably from the commonwealth's inaugural Mentor-Protégé Program. This program provided LingaTech insight into the Department of General Services PA Small Business Program and their efforts and contributions were key in LingaTech's successful growth.

The Mentor-Protégé program provided LingaTech an initial partner with Unisys who plays a significant role in the commonwealth's technology infrastructure support. Unisys executives worked with LingaTech to focus on developing business strategies, creating a sales framework, and marketing. At the end of the program, LingaTech was able to establish our sales and strategy framework for our to-go market.

This Mentor-Protégé Program allowed LingaTech to be recognized and establish effective relationships with other large and mid-size companies. These new relationships provided LingaTech with the opportunity to partner as an SDB sub-contractor on many different commonwealth bids, including a successful bid as a subcontractor to the Commonwealth's Public Web Presence initiative, a part of Governor Wolf's Customer Service Transformation program. The Mentor-Protégé Program also provided exposure and recognition to various commonwealth executives such as the Deputy Secretary of Information Technology/CIO and other

leaders throughout the agencies. In addition to the program, LingaTech appreciates the considerable time and advice provided by BDISBO.

LingaTech also participated in two of Governor Wolf's innovative Code4PA events. LingaTech was a winner in both events bringing home recognition for 'The Most Innovative Project' and 'The Best Team' awards. These opportunities once again provided LingaTech with a valuable opportunity to gain exposure to key individuals in the commonwealth.

In anticipation of future growth, LingaTech has also expanded its leadership team, bringing on highly experienced individuals with successful histories of delivering excellence to the commonwealth through innovative technology solutions. As a dedicated partner to the commonwealth, LingaTech believes that individuals who have a passion for creating an efficient and effective government make the best leaders to support LingaTech's mission of delivering value and innovative solutions to government clients.

Thanks to the support LingaTech received through the Mentor-Protégé program and from the Pennsylvania Department of General Services, as well as the hard work of LingaTech's dedicated team of leaders and employees, LingaTech has more than doubled in size to over 50 employees and increased overall revenue by 50%. With a seasoned and experienced leadership team and a group of outstanding technology consultants, LingaTech is poised to increase its revenue by almost 25% next year alone. LingaTech is extremely grateful to Governor Wolf, the Department of General Services, Unisys, and all of the people involved in this excellent program and opportunity.

## Section 3.0 Distribution of SB, SDB & VBE Payments for FY 2020-21

### 3.1 Payments to Small Businesses

Fiscal Year 2019-20 was a year unlike any other. Beginning in March 2020, the commonwealth took measures to curb the spread of COVID-19 which included a lockdown lasting for several months. Procurements, except for emergency procurements, were suspended until early May 2020 when construction resumed. Restrictions slowly eased, and the commonwealth gradually moved back to business as usual. The repercussions of the shutdown at the end of the 2019-20 fiscal year naturally impacted those doing business with the commonwealth. Total spend by the commonwealth fell 16% from FY 2018-19 levels to \$3,689,203,668. Despite the drop in commonwealth spending, the combined SB/SDB/VBE payments remained steady at 17.9% of the total commonwealth spend.

As anticipated, as FY 2020-21 spend numbers rebounded, so did the combined SB/SDB/VBE payments. During FY 2020-21, 875 self-certified SBs received a total of \$343,592,302 in payments for supplies, services, and construction, an uptick of 16.78%. This represents 8.13% of total commonwealth spend as compared to last year's 7.93% (illustrated in [TABLE 1A](#) above). We attribute this increase not only to the return to business as usual, but also to the reinvigoration of the Small Business Reserve program as discussed in Section 4.1 below.

[TABLE 3A PAYMENTS TO SMALL BUSINESSES \(SEE APPENDIX\)](#) illustrates the distribution of SB payments by commonwealth agencies. The Departments of General Services, Transportation, Conservation & Natural Resources, Corrections, and Environmental Protection encompass 79% of all Small Business utilization within the commonwealth.

These numbers only include payments to SBs that are not also DGS-verified as SDBs or VBEs. SDB and VBE numbers are covered in Section 3.2. Payments made to SB prime contractors and subcontractors are included in the data. Excluded from the data are payments made to any eligible but uncertified SBs. As such, the data likely understates the overall level of participation by SBs in commonwealth contracting to some degree.

**TABLES 3B – 3C (SEE APPENDIX)** summarize the distribution of payments to SB non-construction and construction subcontractors by the counties in which they are headquartered. A total of \$23,340,057 was paid to 49 SB non-construction subcontractors and \$5,015,739 to 44 construction subcontractors. Payments made by purchasing card in Section 3.3, are not included here.

## 3.2 Payments to Small Diverse Businesses and Veteran Business Enterprises



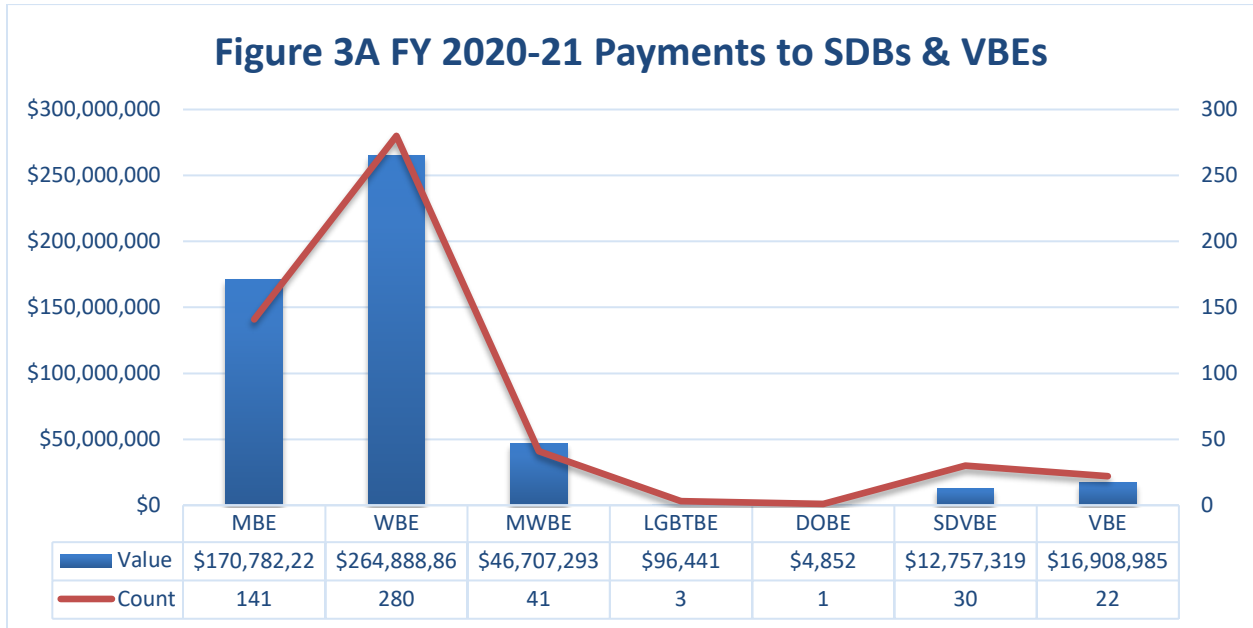
During FY 2020-21, 518 SDBs and VBEs received total payments of \$512,145,977 for supplies, services, and construction. In dollar-value, this represents an impressive increase of 39% over FY 2019-20's number, and it more than offset the 24% decrease in SDB/VBE spend between FY 2019-20 and FY 2018-19. When contrasted against total commonwealth spend, payments to SDBs and VBEs grew from 10% to 12%.

Dividing SDB from VBE, payments to SDBs rose from \$355,176,871 to \$495,236,992 (9.61% to 11.72% of total commonwealth payments, respectively), and VBEs, from \$12,669,750 to \$16,908,985 (0.34% to 0.40% of total commonwealth payments, respectively), between FY 2019-20 and FY 2020-21.

SDB and VBE prime contractors received a quarter of total dollars paid to SDBs and VBEs totaling \$127,892,184. However, subcontracting payments encompassed the greater portion of the commonwealth's SDB and VBE spending during FY 2020-21 totaling \$384,253,793.



The **FIGURE 3A PAYMENTS TO SDBs & VBES** and **TABLE 3D (TABLE 3E, SEE APPENDIX)** summarize the distribution of all SDB and VBE payments by classification and commonwealth agency. Because the commonwealth employs different procurement methods for construction and for non-construction related expenditures, **TABLES 3F–3G (SEE APPENDIX)** provide additional detail on SDB and VBE subcontract expenditures in these two categories.



**TABLE 3D PAYMENTS TO SDBS AND VBES**

SDB Type	Value	%	Count	%
Minority Business Enterprise	\$170,782,221	33.35%	141	27.22%
Woman Business Enterprise	\$264,888,866	51.72%	280	54.05%
Minority, Woman Business Enterprise	\$46,707,293	9.12%	41	7.92%
Disabled-Owned Business Enterprise	\$96,441	0.02%	3	0.58%
LGBT Business Enterprise	\$4,852	0.00%	1	0.19%
Service-Disabled Veteran Business Enterprise	\$12,757,319	2.49%	30	5.79%
Veteran Business Enterprise	\$16,908,985	3.30%	22	4.25%
<b>Grand Total</b>	<b>\$512,145,977</b>	<b>100.00%</b>	<b>518</b>	<b>100.00%</b>

### 3.3 Purchasing Card Payments to Small, Small Diverse, and Veteran Businesses

The commonwealth began identifying and tracking SB and SDB purchases made through Purchasing Card (P-Card) transactions in FY 2018-19. The commonwealth’s P-Card is comparable to a personal credit card in that the contractor receives payment directly from the card issuer rather than the commonwealth.

P-Card purchases are governed by the provisions of Manual 215.3c, the Procurement Handbook. Management Directive 310.23 and Commonwealth Purchasing Card Program establishes the policies,

responsibilities, and procedures under which the program operates. In general, P-Cards are used on Small No-Bid Procurements which do not exceed \$10,000.

Total FY 2020-21 P-Card purchases were \$187,331,952. Of these, \$12,499,500 went toward 486 self-certified SBs, including those verified as SDB and VBE. Payments to SBs, including SDBs and VBEs, saw gains in several areas. Not only did gross P-Card payments to SBs increase 28% over FY 2019-20's value, \$9,746,429, the proportion of SB P-Card payments increased a percentage point, growing from 5% to 6% total P-Card payments.

SB, SDB & VBE P-CARD		
2018/19	2019/20	2020/21
4.19%	5.26%	6.67%

Along with payments, the number of SBs receiving payments grew by 11%, from 439 to 486.

TABLE 3H (SEE APPENDIX) summarizes P-Card payment distribution to SBs, including SBs verified as SDB and VBE, by commonwealth agency.

## Section 4.0 Small Business Reserve purchases during FY 2020-21

### 4.1 Small Businesses Reserve Results

One of the major educational initiatives BDISBO embarked upon during this fiscal year was instructing procurement staff, commodity specialists and buyers across the commonwealth to use an internal tracking mechanism within our enterprise system to denote purchases that were intentionally made with small businesses, also known as the Small Business Reserve (SBR) program. These procurements focus exclusively on creating prime contracting opportunities for SBs which, by definition, also includes SDBs and VBEs.



Six-hundred sixty-eight (668) set-aside contracts with a total value of \$43,580,078 were awarded to 168 SBs through the SBR Program through FY 2020-21.

The Departments of Military & Veterans Affairs, PennDOT, and Human Services together awarded 68% of the SBR contracts. PennDOT's SBR awards represented 62% of the dollar value of all SBR contracts awarded during the fiscal year.

Due to the application of new procedure which allows for a more thorough collection of SBR contract data, FY 2020-21 SBR data cannot be compared to previous years.

## 4.2 Compliance and Customer Service

BDISBO is committed to maintaining and enforcing a Contract Compliance Program that is fair to all parties according to the policies, rules, and regulations. Our compliance monitoring mechanisms are designed to ensure that prime contractors are meeting their commitments and SDBs and VBEs are performing satisfactory work.

The compliance program is established to prevent fraud and detect any misuse of the program by being proactive in monitoring contracts in real-time. BDISBO is engaged in education, training and quickly responding to any inquiry from Prime Contractors and SDB/VBEs.

In June 2019, BDISBO migrated numerous legacy systems that were tracking compliance efforts to a new management tool called PRISM. Over 800 contract files and hundreds of thousands of line-item data were successfully transferred and secured within PRISM. This new software enables the BDISBO team to collect data regarding the contract files and monitor commitments to small, diverse, and veteran businesses in real-time. Within six months of this migration, four highly dedicated compliance team members retired from the Commonwealth and then COVID-19 hit. Nevertheless, throughout the fiscal year, BDISBO was extremely busy acclimating the vendor community to the new reporting modules within PRISM and reconciling compliance metrics on the most high-profile contracts.

Halfway through the fiscal year, BDISBO began tracking their responses to customer service calls and e-mails. BDISBO personally fielded over 1,000 inquiries related to registration issues in PRISM, questions on the certification/verification processes, challenges or problems related to understanding solicitation requirements, assistance with relationships with prime contractors or where to find specific resources within the commonwealth system or through other third parties.

## Section 5.0 Analysis

### 5.1 Nationwide Impact of COVID-19 for Small, Diverse, and Veteran Businesses

In an update to what we reported last year, we'd like to share with you information from the United States Small Business Administration analysis. In March 2020, the COVID-19 pandemic arrived in the United States. Along with illness and death, the pandemic brought widespread economic disruption. Businesses closed and unemployment surged to levels not seen since the Great Depression.

The effects of the COVID-19 pandemic are ongoing. While some businesses have largely recovered from the initial decline, others continue to lag, and some recovered only to experience subsequent declines. Future impacts of the pandemic, including whether business closures become permanent, will depend in part on policy responses. The federal response has already included \$525 billion in emergency funds extended through the Paycheck Protection Program and \$194 billion through the Economic Injury Disaster Loan program, with an additional \$284 billion in Paycheck Protection Program funds available.

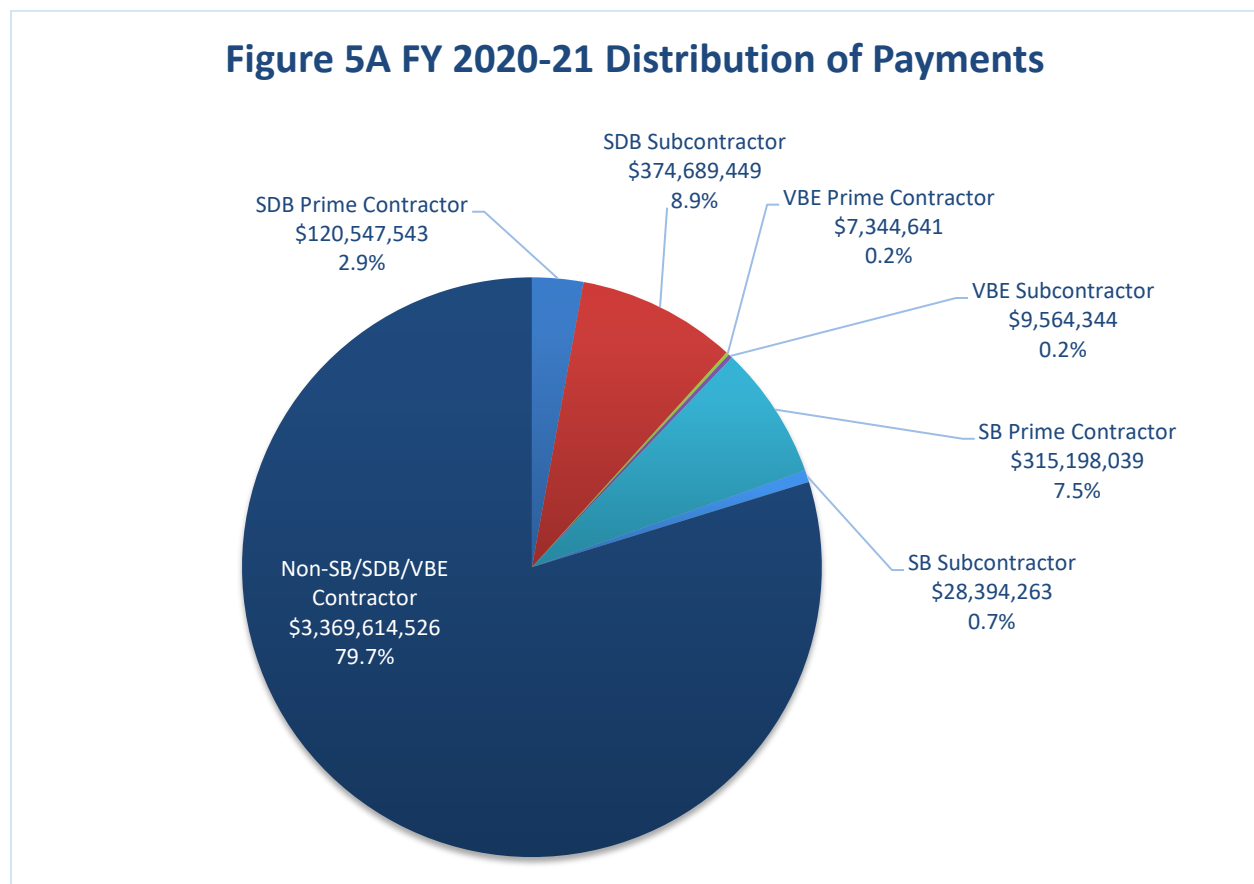
In December 2020, the first vaccine was approved for use in the United States, bringing the end of the pandemic in sight. However, the effects of the pandemic will continue long after it ends. The pandemic

changed patterns of consumption and forced businesses to find new ways of serving their customers. Some businesses have died, some have been born, and many that survive will have been permanently changed.

Source: [The Effects of the COVID-19 Pandemic on Small Businesses \(sba.gov\)](https://www.sba.gov)

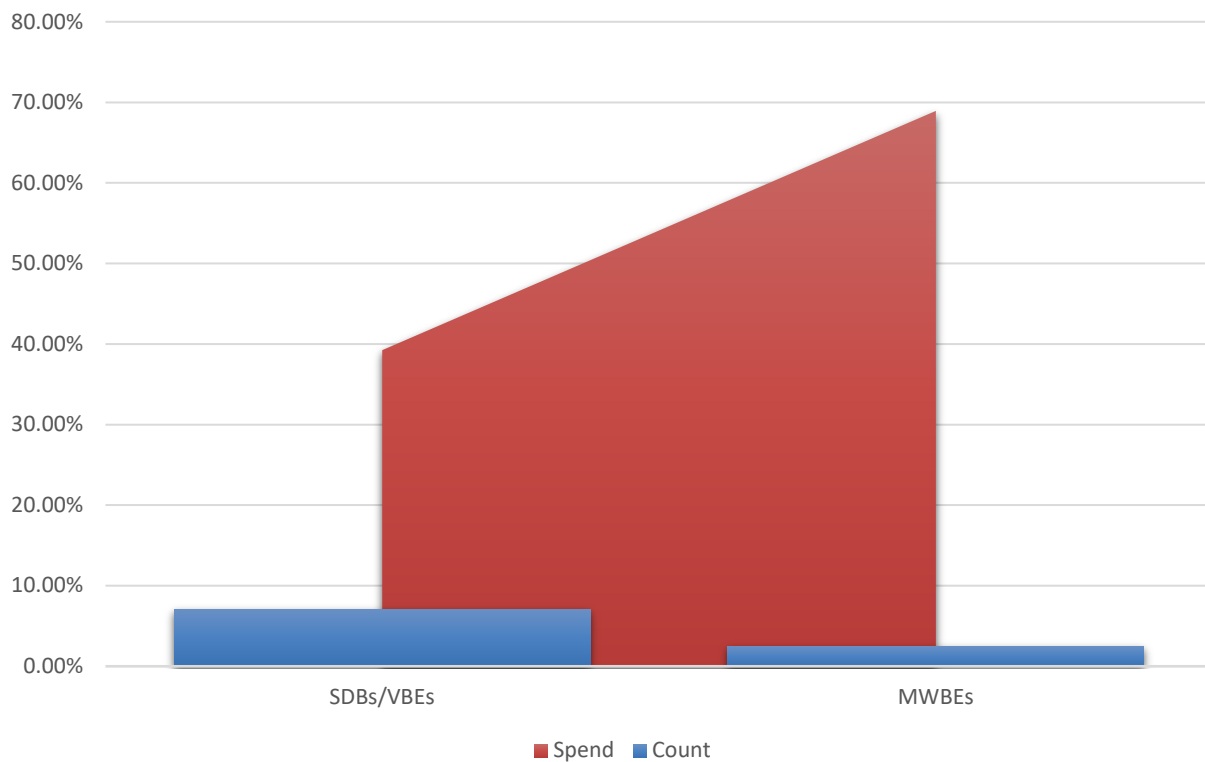
## 5.2 Payments Analysis

During FY 2019-20, total commonwealth expenditures for goods, services, and construction, adjusted for certain categories per industry best practices, were \$4,225,352,805 as demonstrated in **FIGURE 5A**, up \$536,149,137 from FY 2019-20. Together, registered SBs, SDBs, and VBEs received \$855,738,279, over 20% of these dollars. Although the commonwealth experienced a 15% increase in expenditures due to the loosening of pandemic restrictions, the payments for our three socio-economic programs doubled this percentage increase, growing 30% over the previous fiscal year. This is a testament to the administration’s enduring objective to polish the programs, educate and train the purchasers, and encourage the small business community to renew their faith in the premise of the programs.



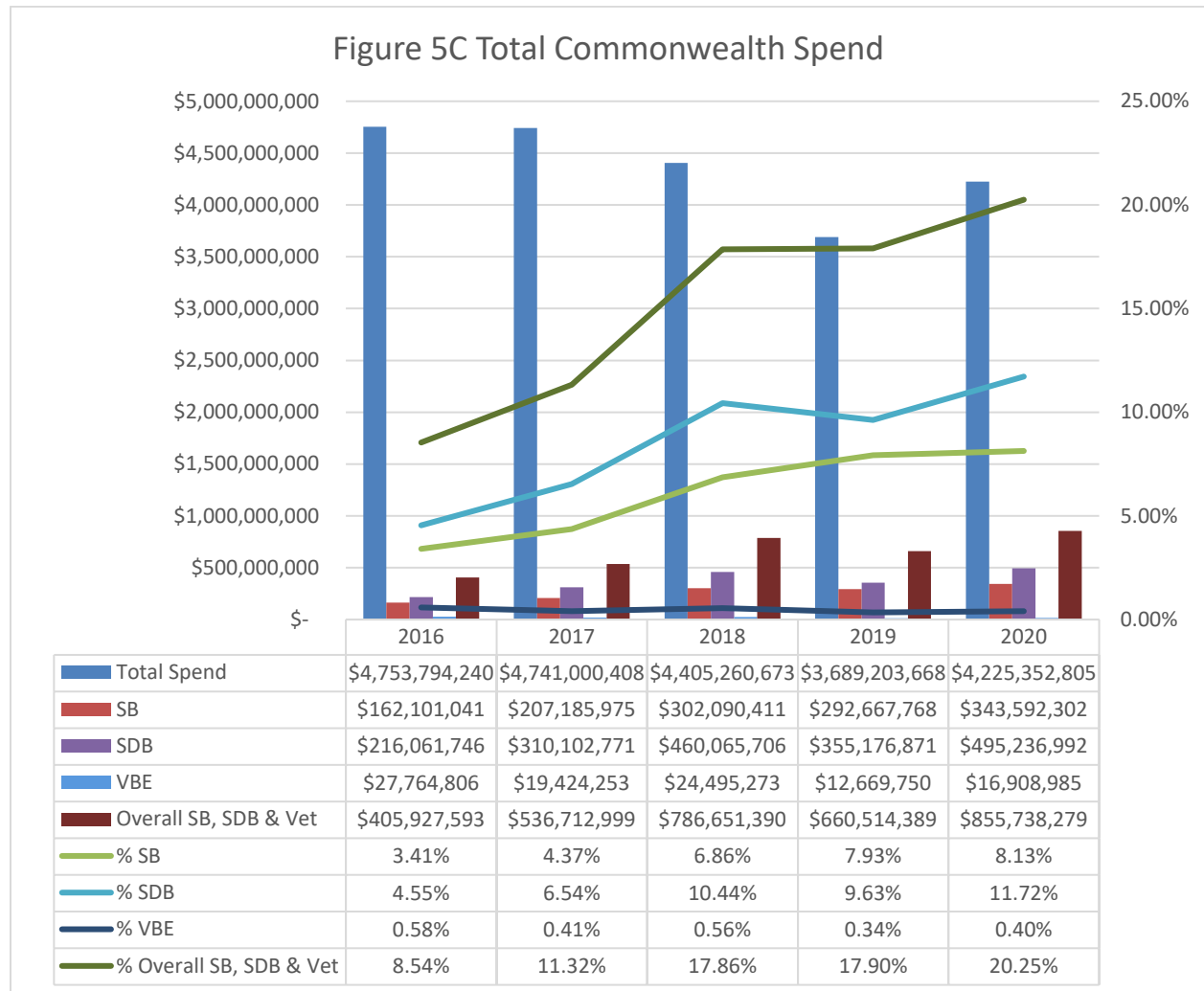
Breaking down the distribution of SDB and VBE payments to a more granular level, payments to MBEs saw the greatest relative improvement over the previous fiscal year. Total payments to MBEs increased 69% and grew nearly six percentage points to 33.35% of all payments made to SDBs and VBEs. In contrast, total payments to all SDB and VBEs saw only a 39% increase. Over the same period, the pool of available MBEs increased a mere 2.5% while the MBE portion of the SDB/VBE population dropped 1.25% to 28% of all SDBs/VBEs. This indicates that, of the MBEs receiving payments, individual MBEs are collecting a greater portion of the spend rather than the spend being spread out over more MBEs, although it's likely this plays a role, as well. (FIGURE 5B)

**Figure 5B MBE Growth**





**FIGURE 5C** displays the trend of SB, SDB, and VBE percentages over the last five years. SB, SDB, and VBE payments have more than doubled since 2016. Despite the challenges incurred by COVID-19 and a significant reduction in commonwealth procurements for several months, the momentum was enough to hold overall SB, SDB, and VBE participation relatively steady.



## Section 6.0 Accomplishments

During FY 2020-21, the commonwealth engaged in the following organizational programs and policy changes, all with the goal of increasing opportunities for SBs and SDBs in commonwealth contracting:

- **Full year of implementing the new Goal Setting Policy**, in which goals were set on over 500 projects with an estimated value of \$1.7 Billion.
- **Despite the global pandemic's continuing effects on the economy and small businesses**, SB/SDB/VBE firms received \$855.7M in payments, which represented 20% of the commonwealth's \$4.2B total applicable expenditures. The 20% participation rate was two percentage points greater

than last year's. SDBs received \$495M or 12% of the commonwealth's applicable expenditure, while last fiscal year SDBs received \$355M or 10% of the commonwealth total spend.

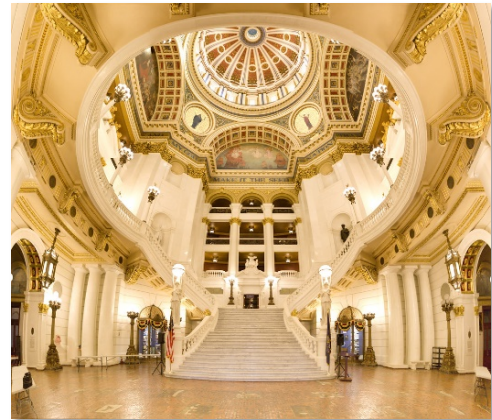


- **BDISBO drafted legislation and secured bipartisan co-sponsorship** for changes to the Pennsylvania Procurement Code and Military and Veterans Code, which will provide a more robust statutory basis for the commonwealth's three small business programs.
- **BDISBO collaborated with Bureau Of Procurement to add six new designated ITQs for small businesses**
  1. Catering Services
  2. Custom and Modular Display Systems, Accessories and Services
  3. Moving and Storage Services
  4. Tree Trimming and Stump Removal Services
  5. Rental Of Highway and Other Equipment
  6. Appraisal Services
- **BDISBO continued to engage and train Agency SB/SDB Liaisons** by requiring submissions of annual strategic plans at a detailed agency level, which helped lead to the 145% increase in SBR program spend.
- **BDISBO developed the new DGS Equity Management Program (EMP).** The EMP promotes a workplace culture where all employees can show up as their genuine selves and be respected and valued for their perspectives and contributions they make to DGS. This program is a game-changer in terms of its innovation in addressing diversity, equity, and inclusion barriers that prevent the department from operating on a level playing field. The EMP focuses on five elements to serve as the foundation of the program: Demonstrated commitment from Leadership; Integration of the Program into the Department's Strategic Mission; Management and Program Accountability; Proactive Promotion of an Equitable, Diverse and Inclusive Workplace; and Efficiency.

## Section 7.0 Recommendations

The commonwealth remains committed to working to meet the following self-imposed recommendations:

- Promote greater SB, SDB, and VBE participation in grants and other “non-procurement” expenditures. The commonwealth continues to look for opportunities to encourage the utilization of SBs and SDBs in other expenditures of commonwealth funds. One such way may be to include SDB and VBE participation requirements for certain competitively awarded grants and loans if appropriate.
- Continue to investigate the opportunities to convert or establish ITQs solely for SBR Program.
- Provide “hands-on” technical assistance to SDBs. Access to capital is critical to ensuring the success of businesses; therefore, the commonwealth is also exploring funding to provide technical assistance and access to capital initiatives by private sector experts.
- Work to improve and expand public and private sector workforce development programs alongside the appropriate commonwealth agencies.
- Measure success based on participating firms’ relative business growth and stability combined with state spending. The commonwealth is currently measuring the success of its programs based upon the total dollar spend to SBs, SDBs, and VBEs and the total number firms participating in the BDISBO program. However, the commonwealth recognizes that another significant gauge of program success is the growth and stability of the businesses participating in the program, as the primary purpose of the program is to assist those businesses. The commonwealth is seeking to understand how to measure business growth and stability resulting from the receipt of state funds, using this important measure to judge the BDISBO program’s effectiveness, and adjust its program based upon factors indicative of success.
- Lead with greater urgency to do more to advocate for the success of the BDISBO program throughout state and local governments and in the private sector by collaborating with key stakeholders.
- Increase the virtual outreach mechanisms to assist registered SBs and to reach those businesses that would qualify as SBs, SDBs, and VBEs but have not yet engaged with the BDISBO program.



- Remove the employee size standard from law, allowing this standard to be controlled by DGS. The Pennsylvania Procurement Code currently sets the size standard for small businesses at 100 or fewer employees. The commonwealth believes that this statutory-set limit is stunting the growth of SBs, SDBs, and VBEs that still need the assistance of the BDISBO program to be successful. DGS is working to forward legislation to remove this statutory limit and allow the employee limit to instead be set by policy. Allowing more flexibility in the employee threshold allows DGS to carefully tailor the BDISBO program to ensure the program continues to help those SBs, SDBs, and VBEs that require assistance.
- Increase the number of businesses participating in the Veterans Program by engaging in a concerted effort with legislators, Veterans associations and stakeholders.

# Appendices

## Procurement Methods

### Methods of Contractor Selection and Award

The Procurement Code provides for a few primary methods of competitive procurement for supplies, services, and construction: low bid Invitations for Bids (IFB) and best value Requests for Proposals (RFP) or Requests for Quotes (RFQ). The Procurement Code also provides for the selection of design professionals through a competitive procurement process.

**Invitation for Bids** – The IFB process is the most frequently used procurement method in the commonwealth. This process, also known traditionally as sealed bidding, essentially awards contracts based on price alone. When the IFB method is used, a contract must be awarded to the responsive and responsible bidder with the lowest price.

**Request for Proposals** – The RFP is a “best value” process that is, most commonly, used for more complex non-commodity purchases. With an RFP, the commonwealth evaluates competing offers based on several factors including suppliers’ proposed costs and technical approach and capabilities.

Contracts that result from either of these two methods may be structured in different ways depending upon the needs of the commonwealth as follows:

- **Single-award contracts** award a potential business to one qualified supplier exclusively.
- **Multiple-award contracts** award a potential business to multiple qualified suppliers who then may be required to compete further for individual orders through a supplemental selection process. A common example of this approach is known as an Invitation to Qualify (ITQ) followed by a **Request for Quote (RFQ)**.

**Selection of Design Professionals** – The commonwealth procures design professional services through a competitive process which considers capability of required personnel to perform the design or construction services, geographic proximity to the project, the overall equitable distribution of contracts to design professionals, and any other relevant circumstances peculiar to the proposed project.

### Contracting Opportunities for SBs, SDBs, and VBEs

The potential for SB (through the SBR Program), SDB, and VBE participation in commonwealth contracting opportunities has historically depended significantly on the procurement methods used. Employing a procurement method that allows for direct consideration of SB, SDB, or VBE participation dramatically increases the likelihood that such participation will occur. Common current uses of IFBs and RFPs within different expenditure categories are outlined below with an explanation of how each is related to SB, SDB, and VBE opportunities.

#### **IFB for Supplies & Services**

Prior to the implementation of goal setting, in general, when the commonwealth issued an IFB for the procurement of supplies or services, SB, SDB, and VBE participation were irrelevant to the award decision only price was considered. SBs, SDBs, and VBEs could compete in IFBs, but they received no formal preference and were required to submit the lowest price to win. In addition, SBs, SDBs, and VBE could and did participate as subcontractors in contracts awarded to other firms through IFBs.

After fully implementing the goal setting program for *all IFBs*, BDISBO and the Issuing Agency began setting contract-specific goals for any IFB valued at \$250,000 or above. As with all other types of procurements that include goal setting, bidders can agree to meet the goals in full or seek a good faith efforts waiver from those goals. This significant change ensures that SDBs and VBEs have additional opportunities for a significant number of procurements that historically offered no preference for SDB and VBE utilization.

### **Construction IFB**

In regard to IFBs for construction, contract awards are also based on price alone. To Under the fully implemented goal setting program, BDISBO and Public Works set contract-specific goals for each of the four disciplines with cost estimates of \$400,000 or above. As with all other types of procurements that include goal setting, bidders can agree to meet the goals in full, or seek a good faith efforts waiver from those goals.

### **Non-Construction RFP**

The general RFP process continues to allow for direct consideration of SB, SDB, and VBE participation as a criterion for award. The goal setting program was fully implemented this fiscal year whereby BDISBO and the Issuing Agency set contract-specific goals for any RFP valued at \$250,000 or above. As with all other types of procurements that include goal setting, offerors can agree to meet the goals in full, or seek a good faith efforts waiver from those goals.

### **JOC Construction**

The Job Order Contracting (JOC) Program is used by agencies to complete small construction projects with a total value of \$10,000 to \$400,000. To facilitate the completion of these projects, DGS established four Prime Professional Construction Service contracts for the disciplines of General Construction, HVAC, Plumbing, and Electrical services in each of the three regions: Central, East, and West. Job Orders are distributed to the prime contractors who are then expected to engage SB and SDB subcontractors for construction and professional design opportunities for agencies undertaking construction, renovation, and maintenance projects that fall within the established value parameters.

The JOC Program was the first to implement the new process of goal setting in its RFPs. These JOC RFPs also designated the Professional Design services as SBR. To ensure the small business community who provide supplies and services under the JOC Program were aware of the major changes affecting this contract, BDISBO along with Public Works continues to recruit and educate businesses on the new paperwork and processes. These interactive discussions continue to provide an opportunity to address the community's concerns, questions, and network.

### **ITQ**

Invitation to Qualify (ITQ) is the name given to certain multiple-award contracts issued by the commonwealth pursuant to Section 517 of the Procurement Code. Work required under an Invitation to Qualify may be solicited by an IFB or RFQ issued to pre-qualified contractors.

The ITQ Process is a two-step process utilized by the commonwealth to provide various types of services to commonwealth agencies. The first step is a pre-qualification process to qualify suppliers for specific services described in the ITQ. To qualify for an ITQ contract, a supplier must meet the qualification requirements prescribed in each ITQ solicitation. This is done by submitting an electronic proposal via the PA Supplier Portal. Each submittal is evaluated, and if the proposal meets the minimum criteria, the supplier is qualified and placed on a "parent" contract along with other qualified suppliers. The second step is an RFQ in which



agencies with specific requirements request quotations from only the qualified suppliers. A quotation may be a simple price, or it may include a technical proposal with pricing.

The ITQ process does not guarantee business to an individual supplier. Suppliers are encouraged to market their services to the agencies and to respond to as many RFQs as possible.

The Department has also recently implemented goal setting on RFQs valued at \$250,000 and above. The process mirrors the goal setting requirements for IFB and RFQ procurements set forth above.

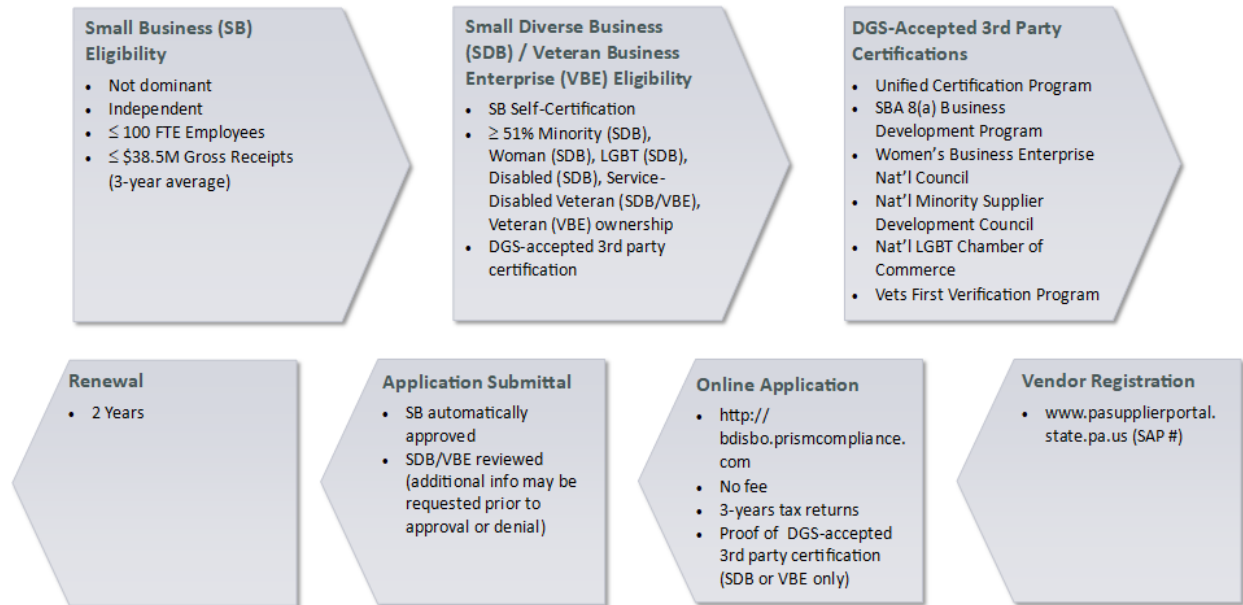
### **Small Business Reserve processes**

In accordance with DGS policy and consistent with the recent reinvigoration of the SBR program, commonwealth agencies have continued to designate certain number of solicitations as “SBR” opportunities. For these contracts, competition is formally restricted only to self-certified SBs (which includes SDBs and VBEs). Larger firms cannot be awarded contracts for procurements that have been designated as SBR. SBR procurements are a race-neutral measure that seeks to ensure the award of contracts to SBs who have been used infrequently. According to the data in Sections 3.1 and 4.1, more commonwealth business is awarded to SBs each year through general procurement methods than through these set-asides. The commonwealth is continuing to explore methods to improve upon the SBR process in order to be more effective throughout the various agencies. BDISBO worked with ITQ administrators to identify ITQ categories for designated SBR ITQs as addressed in [Section 6 Accomplishments](#). Future designated SBR ITQs will include Training Services, Security Guard, and Consulting.

## How to register as a DGS-certified/verified Small Business

### Small Business, Small Diverse Business, Veteran Business Enterprise Application

# SB, SDB, VBE Registration Process



#### STEP 1: REGISTER AS A VENDOR

1. Go to the PA Supplier Portal at [www.pasupplierportal.state.pa.us](http://www.pasupplierportal.state.pa.us).
2. Click on **Supplier Registration** and follow the instructions.

#### STEP 2: SMALL BUSINESS SELF-CERTIFICATION & SMALL DIVERSE BUSINESS/VETERAN BUSINESS ENTERPRISE VERIFICATION

1. Federal tax returns for the three most recently filed tax years.
2. Go to <http://bdisbo.priscompliance.com> > [Self-Certify or Recertify as a Small, Diverse, and/or Veteran Business](#) > **Start Application** > **Start Application**
3. Enter the applicant company's Tax ID and 6-digit Vendor ID/SAP # > **Find Me**
4. Select the application type to apply as **SB** (Small Business), **SDB** (Small Diverse Business), or **VBE** (Veteran Business Enterprise). SB is required for all certification types.

Small Business self-certification is immediate. The review process for Small Diverse Business and Veteran Business Enterprise verification takes approximately 15 business days upon receipt of a complete application.

## Tables

### Section 2 Tables

**TABLE 2C VERIFIED SDBS & VBES BY REGION, COUNTY, AND CLASSIFICATION**

WESTERN PA	COUNTY	MBE	WBE	MWBE	LGBTBE	DOBE	SDVBE	VBE	TOTAL
	Allegheny	42	115	14	5	6	14	6	202
	Armstrong	0	2	0	0	0	0	0	2
	Beaver	1	7	1	0	0	1	1	11
	Bedford	0	1	0	0	0	0	0	1
	Blair	1	10	0	0	0	5	0	16
	Butler	2	21	1	0	1	1	2	28
	Cambria	1	13	0	0	0	0	0	14
	Clarion	0	1	1	0	0	0	0	2
	Crawford	0	4	0	0	0	0	0	4
	Erie	1	14	0	0	0	2	0	17
	Fayette	1	3	0	0	0	0	0	4
	Forest	0	0	0	0	0	0	0	0
	Greene	0	1	0	0	0	0	0	1
	Indiana	0	3	0	0	0	1	0	4
	Jefferson	0	0	0	0	0	0	0	0
	Lawrence	0	1	0	0	0	0	2	3
	Mercer	1	5	0	0	0	1	1	8
	Somerset	0	3	1	0	0	0	0	4
	Venango	0	2	0	0	0	0	0	2
	Warren	0	1	0	0	0	0	0	1
	Washington	4	12	2	0	0	0	1	19
	Westmoreland	8	18	1	1	0	2	2	32
	TOTALS	62	237	21	6	7	27	15	375

CENTRAL PA	COUNTY	MBE	WBE	MWBE	LGBTBE	DOBE	SDVBE	VBE	TOTAL
	Adams	0	1	1	0	0	1	1	4
	Cameron	0	0	0	0	0	0	0	0
	Centre	1	6	0	1	1	1	3	13
	Clearfield	0	4	1	0	0	1	1	7
	Clinton	0	0	0	0	0	2	0	2
	Cumberland	17	35	8	2	0	8	4	74
	Dauphin	22	29	4	3	1	4	3	66
	Elk	0	0	0	0	0	0	0	0
	Franklin	2	5	1	0	0	0	0	8
	Fulton	1	1	0	0	0	0	0	2
	Huntingdon	0	3	0	0	0	2	0	5
	Juniata	0	0	0	0	0	0	0	0
	Lancaster	7	12	2	0	0	3	3	27
	Lebanon	0	5	0	0	0	2	1	8

Lycoming	1	0	0	0	0	0	0	1
McKean	0	4	0	0	0	0	0	4
Mifflin	0	2	0	0	0	0	0	2
Northumberland	1	1	0	0	0	0	0	2
Perry	0	3	0	0	0	0	1	4
Potter	0	0	0	0	0	0	0	0
Snyder	0	0	0	0	0	0	0	0
Tioga	0	0	0	0	0	0	0	0
Union	0	1	0	0	0	0	1	2
York	5	23	0	0	0	3	0	31
<b>TOTALS</b>	<b>57</b>	<b>135</b>	<b>17</b>	<b>6</b>	<b>2</b>	<b>27</b>	<b>18</b>	<b>262</b>

<b>EASTERN PA</b>	<b>COUNTY</b>	<b>MBE</b>	<b>WBE</b>	<b>MWBE</b>	<b>LGBTBE</b>	<b>DOBE</b>	<b>SDVBE</b>	<b>VBE</b>	<b>TOTAL</b>
	Berks	0	9	0	0	0	2	1	12
	Bradford	0	2	0	0	0	1	1	4
	Bucks	16	27	4	0	2	3	3	55
	Carbon	0	1	0	0	0	0	0	1
	Chester	14	33	4	0	0	11	5	67
	Columbia	1	2	0	0	0	0	0	3
	Delaware	12	28	1	0	0	3	2	46
	Lackawanna	1	4	0	0	0	1	0	6
	Lehigh	6	13	0	1	0	3	3	26
	Luzerne	0	11	0	0	0	5	3	19
	Monroe	2	0	1	0	0	1	0	4
	Montgomery	28	60	3	1	1	8	4	105
	Montour	0	0	0	0	0	0	0	0
	Northampton	3	9	0	0	0	1	2	15
	Philadelphia	58	59	10	6	0	5	1	139
	Pike	0	0	0	0	0	0	0	0
	Schuylkill	2	0	0	0	0	0	0	2
	Sullivan	0	0	0	0	0	0	0	0
	Susquehanna	0	3	0	0	0	0	0	3
Wayne	0	1	0	0	0	1	0	2	
Wyoming	0	2	0	0	0	0	0	2	
<b>TOTALS</b>	<b>143</b>	<b>264</b>	<b>23</b>	<b>8</b>	<b>3</b>	<b>45</b>	<b>25</b>	<b>511</b>	

<b>OUT-OF-STATE</b>	<b>MBE</b>	<b>WBE</b>	<b>MWBE</b>	<b>LGBTBE</b>	<b>DOBE</b>	<b>SDVBE</b>	<b>VBE</b>	<b>TOTAL</b>
	228	224	47	6	4	77	16	602

Section 3 Tables

**TABLE 3A PAYMENTS TO SBs BY AGENCY**

Agency	Contractor Type	SB	Agency Total	%
Aging	Prime	\$342	\$342	<0.01%
	Sub	\$0		
Agriculture	Prime	\$2,685,882	\$2,765,882	0.80%
	Sub	\$80,000		
Attorney General	Prime	\$393,671	\$393,671	0.11%
	Sub	\$0		
Auditor General	Prime	\$66,647	\$66,647	0.02%
	Sub	\$0		
Banking & Securities	Prime	\$107	\$107	0.00%
	Sub	\$0		
Commission on Crime & Delinquency	Prime	\$0	\$34	0.00%
	Sub	\$34		
Community & Economic Development	Prime	\$479,148	\$493,279	0.14%
	Sub	\$14,131		
Conservation & Natural Resources	Prime	\$38,741,419	\$38,760,432	11.28%
	Sub	\$19,013		
Corrections	Prime	\$25,410,995	\$33,324,517	9.70%
	Sub	\$7,913,522		
Drug and Alcohol Programs	Prime	\$586,761	\$586,761	0.17%
	Sub	\$0		
Education	Prime	\$6,734,353	\$7,016,439	2.04%
	Sub	\$282,086		
Environmental Hearing Board	Prime	\$8,816	\$8,816	0.00%
	Sub	\$0		
Environmental Protection	Prime	\$21,041,720	\$21,041,720	6.12%
	Sub	\$0		
Ethics Commission	Prime	\$4,045	\$4,045	0.00%
	Sub	\$0		
Fish & Boat Commission	Prime	\$399,093	\$523,949	0.15%
	Sub	\$124,856		
Fish & Boat Commission with Game Commission	Prime	\$0	\$0	0.00%
	Sub	\$0		
Game Commission	Prime	\$6,359,715	\$6,359,715	1.85%
	Sub	\$0		
General Services	Prime	\$109,015,039	\$120,413,198	35.05%
	Sub	\$11,398,159		
Governor's Office	Prime	\$15,010	\$15,010	0.00%
	Sub	\$0		
Health	Prime	\$1,563,622	\$1,733,477	0.50%
	Sub	\$169,855		
Historical & Museum Commission	Prime	\$1,064,953	\$1,064,953	0.31%

	Sub	\$0		
Human Services	Prime	\$8,850,991	\$11,451,545	3.33%
	Sub	\$2,600,554		
Insurance	Prime	\$1,225,778	\$1,225,778	0.36%
	Sub	\$0		
Labor & Industry	Prime	\$2,959,631	\$2,976,561	0.87%
	Sub	\$16,930		
Liquor Control Board	Prime	\$0	\$23,938	0.01%
	Sub	\$23,938		
Military & Veterans Affairs	Prime	\$12,252,764	\$12,253,804	3.57%
	Sub	\$1,040		
Milk Marketing Board	Prime	\$0	\$0	0.00%
	Sub	\$0		
Office of Administration	Prime	\$3,059,676	\$8,111,059	2.36%
	Sub	\$5,051,383		
PA Emergency Management Agency	Prime	\$2,143,695	\$2,143,695	0.62%
	Sub	\$0		
PA Gaming Control Board	Prime	\$7,378	\$7,378	0.00%
	Sub	\$0		
PA Infrastructure Investment	Prime	\$160,880	\$160,880	0.05%
	Sub	\$0		
PA Municipal Retirement Board	Prime	\$427,696	\$427,696	0.12%
	Sub	\$0		
PA Port Authorities	Prime	\$18,579	\$18,579	0.01%
	Sub	\$0		
Public School Employees Retirement System	Prime	\$979,642	\$979,642	0.29%
	Sub	\$0		
Public Utility Commission	Prime	\$412,811	\$466,632	0.14%
	Sub	\$53,821		
Revenue	Prime	\$601,586	\$623,005	0.18%
	Sub	\$21,419		
State Department	Prime	\$2,945,651	\$2,945,651	0.86%
	Sub	\$0		
State Employees Retirement System	Prime	\$230,584	\$230,584	0.07%
	Sub	\$0		
State Police	Prime	\$5,705,574	\$5,705,574	1.66%
	Sub	\$0		
Transportation	Prime	\$58,643,785	\$59,267,307	17.25%
	Sub	\$623,522		
Total	Prime		\$315,198,039	92%
	Sub		\$28,394,263	8%
	Total		\$343,592,302	100%



**TABLE 3B DISTRIBUTION OF SB SUBCONTRACT PAYMENTS BY COUNTY – NON-CONSTRUCTION**

County	Value	%	Count	%
Allegheny	\$4,169,625	17.86%	4	8.16%
Blair	\$13,392	0.06%	1	2.04%
Cambria	\$7,958	0.03%	1	2.04%
Crawford	\$33,310	0.14%	1	2.04%
Cumberland	\$1,785,839	7.65%	5	10.20%
Dauphin	\$5,564,585	23.84%	3	6.12%
Delaware	\$7,574	0.03%	2	4.08%
Erie	\$117,929	0.51%	1	2.04%
Fayette	\$28,265	0.12%	1	2.04%
Lancaster	\$5,621	0.02%	1	2.04%
Lawrence	\$720,812	3.09%	1	2.04%
Montgomery	\$5,863	0.03%	1	2.04%
Northampton	\$22,950	0.10%	1	2.04%
Philadelphia	\$4,952,115	21.22%	6	12.24%
York	\$1,398	0.01%	1	2.04%
Out-of-state	\$5,902,821	25.29%	19	38.78%
<b>Grand Total</b>	<b>\$23,340,057</b>	<b>100.00%</b>	<b>49</b>	<b>100.00%</b>

**TABLE 3C DISTRIBUTION OF SB SUBCONTRACT PAYMENTS BY COUNTY – CONSTRUCTION**

County	Value	Value %	Count	%
Allegheny	\$13,840	0.27%	3	6.82%
Berks	\$142,825	2.83%	4	9.09%
Blair	\$14,801	0.29%	1	2.27%
Bucks	\$252,356	4.99%	2	4.55%
Butler	\$6,720	0.13%	1	2.27%
Centre	\$148,760	2.94%	4	9.09%
Cumberland	\$114,301	2.26%	2	4.55%
Dauphin	\$258,423	5.11%	4	9.09%
Huntingdon	\$5,060	0.10%	1	2.27%
Lackawanna	\$376,199	7.44%	3	6.82%
Lawrence	\$856,913	16.95%	2	4.55%
Luzerne	\$8,771	0.17%	1	2.27%
Mercer	\$79,605	1.58%	1	2.27%
Monroe	\$68,425	1.35%	1	2.27%
Montgomery	\$272,856	5.40%	2	4.55%
Perry	\$32,378	0.64%	2	4.55%
Philadelphia	\$59,673	1.18%	3	6.82%
Wyoming	\$48,671	0.96%	1	2.27%
York	\$2,170,600	42.95%	3	6.82%
Out-of-state	\$123,029	2.43%	3	6.82%
<b>Grand Total</b>	<b>\$5,054,206</b>	<b>100.00%</b>	<b>44</b>	<b>100.00%</b>

**TABLE 3E SDB AND VBE PRIME AND SUBCONTRACTING SPEND BY AGENCY**

Agency	Contractor	M	W	MW	G	D	S	V	Total
Aging	Prime	\$0	\$0	\$233,314	\$0	\$0	\$0	\$0	\$233,314
	Sub	\$30,473	\$0	\$4,257,840	\$0	\$0	\$0	\$0	\$4,288,313
Agriculture	Prime	\$0	\$0	\$733,759	\$0	\$0	\$0	\$0	\$733,759
	Sub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Attorney General	Prime	\$0	\$0	\$40,976	\$0	\$0	\$0	\$0	\$40,976
	Sub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Auditor General	Prime	\$0	\$0	\$2,183	\$0	\$0	\$0	\$0	\$2,183
	Sub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Civil Service Commission	Prime	\$0	\$0	\$11,729	\$0	\$0	\$0	\$0	\$11,729
	Sub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Commission on Crime & Delinquency	Prime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub	\$0	\$0	\$15,732	\$0	\$0	\$0	\$0	\$15,732
Community & Economic Develop.	Prime	\$1,088,834	\$0	\$1,670,885	\$0	\$0	\$0	\$0	\$2,759,719
	Sub	\$0	\$0	\$1,195,152	\$0	\$0	\$0	\$0	\$1,195,152
Conservation & Natural Resources	Prime	\$601,800	\$500	\$1,887,019	\$0	\$0	\$12,019	\$1,000,740	\$3,502,078
	Sub	\$135,954	\$1,272	\$497,979	\$0	\$4,852	\$40,275	\$18,924	\$699,256
Corrections	Prime	\$20,949	\$710	\$3,360,865	\$0	\$0	\$117,616	\$187,471	\$3,687,611
	Sub	\$19,770,861	\$2,261,357	\$8,982,321	\$0	\$0	\$11,500	\$2,012,454	\$33,038,493
Drug and Alcohol Programs	Prime	\$0	\$0	\$3,556,883	\$0	\$0	\$0	\$0	\$3,556,883
	Sub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Education	Prime	\$34,629	\$0	\$1,542,998	\$0	\$0	\$0	\$0	\$1,577,627
	Sub	\$1,185,376	\$0	\$622,050	\$0	\$0	\$0	\$0	\$1,807,426
Environmental Hearing Board	Prime	\$0	\$0	\$9,743	\$0	\$0	\$0	\$0	\$9,743
	Sub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Environmental Protection	Prime	\$0	\$48,306	\$1,147,652	\$0	\$0	\$0	\$0	\$1,195,958
	Sub	\$6,364	\$13,189	\$33,051	\$0	\$0	\$0	\$0	\$52,604
Fish & Boat Commission	Prime	\$0	\$0	\$88,918	\$0	\$0	\$0	\$0	\$88,918
	Sub	\$0	\$0	\$316,178	\$0	\$0	\$0	\$253,422	\$569,600
Fish & Boat Comm. with Game Comm.	Prime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub	\$104,325	\$0	\$718,829	\$0	\$0	\$0	\$0	\$823,154
Game Commission	Prime	\$0	\$0	\$290,806	\$0	\$0	\$0	\$0	\$290,806
	Sub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Services	Prime	\$3,418,779	\$292,007	\$19,660,940	\$0	\$0	\$3,402,991	\$4,341,133	\$31,115,850
	Sub	\$11,016,949	\$10,284,797	\$28,683,621	\$4,991	\$0	\$703,119	\$2,500,534	\$53,194,011
Governor's Office	Prime	\$0	\$0	\$0	\$0	\$0	\$0	\$26,000	\$26,000
	Sub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Health	Prime	\$15,674	\$0	\$8,756,362	\$0	\$0	\$0	\$0	\$8,772,036
	Sub	\$977,183	\$0	\$611,637	\$0	\$0	\$227,138	\$0	\$1,815,958
Historical & Museum Commission	Prime	\$144,550	\$0	\$385,690	\$0	\$0	\$0	\$0	\$530,240
	Sub	\$0	\$0	\$215,451	\$0	\$0	\$0	\$0	\$215,451
Human Services	Prime	\$54,468	\$5,879	\$1,498,514	\$0	\$0	\$1,735,735	\$441,207	\$3,735,803
	Sub	\$33,790,225	\$15,216,596	\$94,969,140	\$91,450	\$0	\$2,965,974	\$4,438,116	\$151,471,501
Insurance	Prime	\$0	\$17,508	\$1,684,102	\$0	\$0	\$0	\$0	\$1,701,610
	Sub	\$1,285,152	\$0	\$233,762	\$0	\$0	\$12,000	\$0	\$1,530,914
Labor & Industry	Prime	\$345,339	\$675	\$3,804,228	\$0	\$0	\$1,672	\$79,956	\$4,231,870

Agency	Contractor	M	W	MW	G	D	S	V	Total
	Sub	\$2,508,900	\$2,836,120	\$2,738,361	\$0	\$0	\$0	\$0	\$8,083,381
Liquor Control Board	Prime	\$0	\$0	\$0	\$0	\$0	\$0	\$4,800	\$4,800
	Sub	\$594,375	\$0	\$168,714	\$0	\$0	\$0	\$0	\$763,089
Military & Veterans Affairs	Prime	\$2,203,723	\$10,183	\$465,405	\$0	\$0	\$838,985	\$22,800	\$3,541,096
	Sub	\$0	\$0	\$28,810	\$0	\$0	\$0	\$0	\$28,810
Office of Administration	Prime	\$1,142,459	\$79,615	\$4,693,616	\$0	\$0	\$0	\$0	\$5,915,690
	Sub	\$53,233,364	\$10,702,985	\$29,408,800	\$0	\$0	\$775,592	\$340,894	\$94,461,635
Office of Chief Counsel	Prime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub	\$38,584	\$0	\$0	\$0	\$0	\$0	\$0	\$38,584
Office of General Counsel	Prime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub	\$370,520	\$11,500	\$83,235	\$0	\$0	\$0	\$0	\$465,255
Office of the Budget	Prime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub	\$58,216	\$24,317	\$0	\$0	\$0	\$0	\$0	\$82,533
PA Emergency Management Agency	Prime	\$83,809	\$0	\$179,944	\$0	\$0	\$1,740,600	\$2,940	\$2,007,293
	Sub	\$0	\$24,948	\$10,750	\$0	\$0	\$0	\$0	\$35,698
PA Gaming Control Board	Prime	\$0	\$0	\$5,356	\$0	\$0	\$0	\$0	\$5,356
	Sub	\$332,251	\$0	\$36,231	\$0	\$0	\$0	\$0	\$368,482
PA Infrastructure Investment	Prime	\$45,000	\$0	\$181,664	\$0	\$0	\$0	\$0	\$226,664
	Sub	\$0	\$0	\$19,481	\$0	\$0	\$0	\$0	\$19,481
PA Municipal Retirement Board	Prime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub	\$0	\$0	\$46,234	\$0	\$0	\$0	\$0	\$46,234
PA Port Authorities	Prime	\$0	\$0	\$14,028	\$0	\$0	\$0	\$0	\$14,028
	Sub	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pub. School Employees Retirement System	Prime	\$0	\$0	\$12,165	\$0	\$0	\$0	\$0	\$12,165
	Sub	\$8,974	\$0	\$2,430,301	\$0	\$0	\$0	\$0	\$2,439,275
Public Utility Commission	Prime	\$0	\$0	\$194,935	\$0	\$0	\$0	\$494,312	\$689,247
	Sub	\$279,756	\$0	\$124,417	\$0	\$0	\$84,656	\$0	\$488,829
Revenue	Prime	\$0	\$472,118	\$542,618	\$0	\$0	\$0	\$0	\$1,014,736
	Sub	\$13,093,923	\$0	\$1,925,954	\$0	\$0	\$0	\$0	\$15,019,877
State Department	Prime	\$11,156,085	\$0	\$16,154,304	\$0	\$0	\$0	\$0	\$27,310,389
	Sub	\$0	\$0	\$451,475	\$0	\$0	\$0	\$0	\$451,475
State Employees Retirement System	Prime	\$74,591	\$31,750	\$950,805	\$0	\$0	\$0	\$0	\$1,057,146
	Sub	\$0	\$0	\$27,630	\$0	\$0	\$0	\$0	\$27,630
State Police	Prime	\$177,948	\$35,620	\$779,907	\$0	\$0	\$10,491	\$198,213	\$1,202,179
	Sub	\$179,488	\$0	\$815,916	\$0	\$0	\$0	\$0	\$995,404
State System of Higher Education	Prime	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	Sub	\$199,992	\$0	\$153,954	\$0	\$0	\$23,750	\$0	\$377,696
Transportation	Prime	\$9,029,396	\$0	\$7,459,011	\$0	\$0	\$53,206	\$545,069	\$17,086,682
	Sub	\$1,942,983	\$4,335,341	\$3,064,536	\$0	\$0	\$0	\$0	\$9,342,860
Total	Prime	\$29,638,033	\$994,871	\$82,001,324	\$0	\$0	\$7,913,315	\$7,344,641	\$127,892,184
	Sub	\$141,144,188	\$45,712,422	\$182,887,542	\$96,441	\$4,852	\$4,844,004	\$9,564,344	\$384,253,793
	Total	\$170,782,221	\$46,707,293	\$264,888,866	\$96,441	\$4,852	\$12,757,319	\$16,908,985	\$512,145,977
	%	33.35%	9.12%	51.72%	0.02%	0.00%	2.49%	3.30%	100%

**TABLE 3F DISTRIBUTION OF SDB AND VBE SUBCONTRACT PAYMENTS BY CLASSIFICATION AND COUNTY – NON-CONSTRUCTION**

Classification	Value	%	Count	%
Minority Business Enterprise	\$135,313,060	38.57%	97	35.02%
Woman Business Enterprise	\$158,895,782	45.30%	135	48.74%
Minority, Woman Business Enterprise	\$45,581,437	12.99%	28	10.11%
LGBT Business Enterprise	\$91,450	0.03%	2	0.72%
Service-Disabled Veteran Business Enterprise	\$4,095,635	1.17%	9	3.25%
Veteran Business Enterprise	\$6,822,882	1.94%	6	2.17%
<b>Grand Total</b>	<b>\$350,800,246</b>	<b>100%</b>	<b>277</b>	<b>100%</b>

County	SDB Value		SDB Count		VBE Value		VBE Count		Total Value		Total Count	
	\$	%	#	%	\$	%	#	%	\$	%	#	%
Adams	\$182,499	0.05%	1	0.36%	\$0	0.00%	0	0.00%	\$182,499	0.05%	1	0.36%
Allegheny	\$15,924,192	4.54%	38	13.72%	\$12,494	0.00%	1	0.36%	\$15,936,686	4.54%	39	14.08%
Beaver	\$2,014	0.00%	1	0.36%	\$0	0.00%	0	0.00%	\$2,014	0.00%	1	0.36%
Blair	\$15,732	0.00%	1	0.36%	\$0	0.00%	0	0.00%	\$15,732	0.00%	1	0.36%
Bucks	\$10,270,565	2.93%	6	2.17%	\$0	0.00%	0	0.00%	\$10,270,565	2.93%	6	2.17%
Butler	\$300,643	0.09%	1	0.36%	\$0	0.00%	0	0.00%	\$300,643	0.09%	1	0.36%
Cambria	\$7,380	0.00%	1	0.36%	\$0	0.00%	0	0.00%	\$7,380	0.00%	1	0.36%
Chester	\$3,927,433	1.12%	10	3.61%	\$4,438,116	1.27%	2	0.72%	\$8,365,549	2.38%	12	4.33%
Crawford	\$61,037	0.02%	1	0.36%	\$0	0.00%	0	0.00%	\$61,037	0.02%	1	0.36%
Cumberland	\$65,070,115	18.55%	35	12.64%	\$0	0.00%	0	0.00%	\$65,070,115	18.55%	35	12.64%
Dauphin	\$33,774,786	9.63%	28	10.11%	\$0	0.00%	0	0.00%	\$33,774,786	9.63%	28	10.11%
Delaware	\$12,165,660	3.47%	2	0.72%	\$0	0.00%	0	0.00%	\$12,165,660	3.47%	2	0.72%
Erie	\$2,805,048	0.80%	2	0.72%	\$0	0.00%	0	0.00%	\$2,805,048	0.80%	2	0.72%
Franklin	\$3,591,198	1.02%	1	0.36%	\$0	0.00%	0	0.00%	\$3,591,198	1.02%	1	0.36%
Indiana	\$75,238	0.02%	1	0.36%	\$0	0.00%	0	0.00%	\$75,238	0.02%	1	0.36%
Lackawanna	\$12,919,507	3.68%	2	0.72%	\$0	0.00%	0	0.00%	\$12,919,507	3.68%	2	0.72%
Lancaster	\$14,810,251	4.22%	6	2.17%	\$0	0.00%	0	0.00%	\$14,810,251	4.22%	6	2.17%
Lebanon	\$121,022	0.03%	2	0.72%	\$0	0.00%	0	0.00%	\$121,022	0.03%	2	0.72%
Lehigh	\$312,224	0.09%	1	0.36%	\$0	0.00%	0	0.00%	\$312,224	0.09%	1	0.36%
Lycoming	\$1,146	0.00%	1	0.36%	\$0	0.00%	0	0.00%	\$1,146	0.00%	1	0.36%
Montgomery	\$13,229,341	3.77%	9	3.25%	\$0	0.00%	0	0.00%	\$13,229,341	3.77%	9	3.25%
Northampton	\$0	0.00%	0	0.00%	\$18,924	0.01%	1	0.36%	\$18,924	0.01%	1	0.36%
Perry	\$703,430	0.20%	1	0.36%	\$2,012,454	0.57%	1	0.36%	\$2,715,884	0.77%	2	0.72%
Philadelphia	\$40,476,280	11.54%	22	7.94%	\$0	0.00%	0	0.00%	\$40,476,280	11.54%	22	7.94%
Washington	\$88,263	0.03%	1	0.36%	\$0	0.00%	0	0.00%	\$88,263	0.03%	1	0.36%
Westmoreland	\$433,510	0.12%	6	2.17%	\$0	0.00%	0	0.00%	\$433,510	0.12%	6	2.17%
York	\$3,322,148	0.95%	2	0.72%	\$0	0.00%	0	0.00%	\$3,322,148	0.95%	2	0.72%
Out-of-state	\$109,386,702	31.18%	89	32.13%	\$340,894	0.10%	1	0.36%	\$109,727,596	31.28%	90	32.49%
<b>Grand Total</b>	<b>\$343,977,364</b>	<b>98.06%</b>	<b>271</b>	<b>97.83%</b>	<b>\$6,822,882</b>	<b>1.94%</b>	<b>6</b>	<b>2.17%</b>	<b>\$350,800,246</b>	<b>100%</b>	<b>277</b>	<b>100%</b>

**TABLE 3G DISTRIBUTION OF SDB AND VBE SUBCONTRACT PAYMENTS BY CLASSIFICATION AND COUNTY – CONSTRUCTION**

Classification	Value	%	Count	%
Minority Business Enterprise	\$5,831,128	17.43%	21	19.27%
Woman Business Enterprise	\$23,991,760	71.72%	68	62.39%
Minority, Woman Business Enterprise	\$130,985	0.39%	6	5.50%
LGBT Business Enterprise	\$4,991	0.01%	1	0.92%
Disabled-Owned Business Enterprise	\$4,852	0.01%	1	0.92%
Service-Disabled Veteran Business Enterprise	\$748,369	2.24%	8	7.34%
Veteran Business Enterprise	\$2,741,462	8.19%	4	3.67%
<b>Grand Total</b>	<b>\$33,453,547</b>	<b>100%</b>	<b>109</b>	<b>100%</b>

County	SDB Value		SDB Count		VBE Value		VBE Count		Total Value		Total Count	
	\$	%	#	%	\$	%	#	%	\$	%	#	%
Allegheny	\$11,234,828	33.58%	17	15.60%	\$0	0.00%	0	0.00%	\$11,234,828	33.58%	17	15.60%
Blair	\$206,330	0.62%	3	2.75%	\$0	0.00%	0	0.00%	\$206,330	0.62%	3	2.75%
Bradford	\$2,850	0.01%	1	0.92%	\$0	0.00%	0	0.00%	\$2,850	0.01%	1	0.92%
Butler	\$498,534	1.49%	4	3.67%	\$0	0.00%	0	0.00%	\$498,534	1.49%	4	3.67%
Cambria	\$13,877	0.04%	1	0.92%	\$0	0.00%	0	0.00%	\$13,877	0.04%	1	0.92%
Centre	\$208,484	0.62%	3	2.75%	\$1,138,459	3.40%	1	0.92%	\$1,346,943	4.03%	4	3.67%
Chester	\$376,142	1.12%	3	2.75%	\$0	0.00%	0	0.00%	\$376,142	1.12%	3	2.75%
Clearfield	\$200,911	0.60%	1	0.92%	\$0	0.00%	0	0.00%	\$200,911	0.60%	1	0.92%
Clinton	\$486,045	1.45%	1	0.92%	\$0	0.00%	0	0.00%	\$486,045	1.45%	1	0.92%
Crawford	\$24,750	0.07%	1	0.92%	\$0	0.00%	0	0.00%	\$24,750	0.07%	1	0.92%
Cumberland	\$1,671,820	5.00%	5	4.59%	\$122,599	0.37%	1	0.92%	\$1,794,419	5.36%	6	5.50%
Dauphin	\$1,798,771	5.38%	4	3.67%	\$0	0.00%	0	0.00%	\$1,798,771	5.38%	4	3.67%
Delaware	\$381,431	1.14%	2	1.83%	\$0	0.00%	0	0.00%	\$381,431	1.14%	2	1.83%
Erie	\$34,615	0.10%	2	1.83%	\$0	0.00%	0	0.00%	\$34,615	0.10%	2	1.83%
Fayette	\$55,321	0.17%	1	0.92%	\$0	0.00%	0	0.00%	\$55,321	0.17%	1	0.92%
Fulton	\$1,632,258	4.88%	1	0.92%	\$0	0.00%	0	0.00%	\$1,632,258	4.88%	1	0.92%
Lackawanna	\$13,798	0.04%	2	1.83%	\$0	0.00%	0	0.00%	\$13,798	0.04%	2	1.83%
Lancaster	\$606,539	1.81%	1	0.92%	\$0	0.00%	0	0.00%	\$606,539	1.81%	1	0.92%
Lebanon	\$23,260	0.07%	1	0.92%	\$0	0.00%	0	0.00%	\$23,260	0.07%	1	0.92%
Lehigh	\$15,974	0.05%	1	0.92%	\$0	0.00%	0	0.00%	\$15,974	0.05%	1	0.92%
Luzerne	\$46,020	0.14%	1	0.92%	\$0	0.00%	0	0.00%	\$46,020	0.14%	1	0.92%
Mercer	\$141,950	0.42%	2	1.83%	\$0	0.00%	0	0.00%	\$141,950	0.42%	2	1.83%
Montgomery	\$60,791	0.18%	4	3.67%	\$0	0.00%	0	0.00%	\$60,791	0.18%	4	3.67%
Philadelphia	\$372,184	1.11%	6	5.50%	\$0	0.00%	0	0.00%	\$372,184	1.11%	6	5.50%
Union	\$0	0.00%	0	0.00%	\$1,226,982	3.67%	1	0.92%	\$1,226,982	3.67%	1	0.92%
Venango	\$251,969	0.75%	1	0.92%	\$0	0.00%	0	0.00%	\$251,969	0.75%	1	0.92%
Warren	\$13,916	0.04%	1	0.92%	\$0	0.00%	0	0.00%	\$13,916	0.04%	1	0.92%
Washington	\$52,284	0.16%	2	1.83%	\$0	0.00%	0	0.00%	\$52,284	0.16%	2	1.83%
Westmoreland	\$1,134,531	3.39%	4	3.67%	\$253,422	0.76%	1	0.92%	\$1,387,953	4.15%	5	4.59%
York	\$814,169	2.43%	8	7.34%	\$0	0.00%	0	0.00%	\$814,169	2.43%	8	7.34%
Out-of-state	\$8,337,733	24.92%	21	19.27%	\$0	0.00%	0	0.00%	\$8,337,733	24.92%	21	19.27%
<b>Grand Total</b>	<b>\$30,712,085</b>	<b>91.81%</b>	<b>105</b>	<b>96.33%</b>	<b>\$2,741,462</b>	<b>8.19%</b>	<b>4</b>	<b>3.67%</b>	<b>\$33,453,547</b>	<b>100%</b>	<b>109</b>	<b>100%</b>

**TABLE 3H P-CARD PAYMENTS TO SBS INCLUDING SBS VERIFIED AS SDB AND VBE**

Agency	Payments	Agency	Payments
Aging	\$3,792	Historical & Museum Commission	\$77,824
Agriculture	\$182,008	Human Services	\$1,562,203
Attorney General	\$18,012	Insurance	\$3,144
Banking & Securities	\$4,956	Labor & Industry	\$428,955
Civil Service Commission	\$393	Liquor Control Board	\$61,155
Community & Economic Development	\$705	Military & Veterans Affairs	\$857,079
Conservation & Natural Resources	\$1,280,154	Milk Marketing Board	\$2,425
Corrections	\$2,088,710	PA Emergency Management Agency	\$26,722
Drug and Alcohol Programs	\$7,965	PA Gaming Control Board	\$3,423
Environmental Protection	\$169,341	PA Infrastructure Investment	\$301
Ethics Commission	-\$301	Public School Employees' Retirement Sys	\$7,470
Executive Offices	\$49,446	Public Utility Commission	\$7,307
Fish & Boat Commission	\$188,150	Revenue	\$53,793
Game Commission	\$292,931	State Department	\$141,910
General Services	\$584,763	State Police	\$138,191
Governor's Office	\$706	Transportation	\$4,237,695
Health	\$18,172		
<b>TOTAL</b>			<b>\$12,499,500</b>