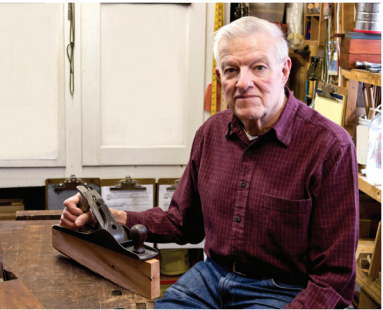




**pennsylvania**  
DEPARTMENT OF GENERAL SERVICES

# Bureau of Small Business Opportunities



## ANNUAL REPORT | FISCAL YEAR 2011–2012

Tom Corbett  
GOVERNOR  
Sheri Phillips  
SECRETARY OF GENERAL SERVICES

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## Message from Secretary Sheri Phillips



On behalf of Governor Tom Corbett, I am pleased to present the fiscal year 2011-2012 Bureau of Small Business Opportunities Annual Report on the participation of small diverse businesses in state contracting opportunities. The Department of General Services (DGS) – as the agency responsible for the purchase of the state’s goods and services and the administration of the state’s public works construction projects – is committed to ensuring small and small diverse businesses are able to participate as prime contractors, subcontractors, suppliers and professional service providers.

This year has been a very exciting and defining time for the role of small businesses in the state government contracting process. Governor Corbett confirmed his strong commitment to small businesses through the issuance of Executive Order 2011-09 (Small Business Procurement Initiative) and Executive Order 2011-10 (Veteran-owned Small Business Procurement Initiative) both of which direct DGS to identify and implement programs and policies to increase contracting opportunities for small businesses.

The **Small Business Procurement Initiative** will reserve certain prime contracting opportunities for competition among only self-certified small businesses. Contracts for goods, services, information technology services and products as well as construction and design will be included in the program, which was announced in July, 2012. The department has also expanded the **Small Diverse Business Program** to include veteran-owned and service-disabled veteran-owned businesses. The economic importance and impact of small businesses on the Commonwealth cannot be overstated. The Commonwealth recognizes the need to afford these businesses the same opportunities of their larger counterparts – especially when it comes to competing for state contracts.

This year’s report illustrates the progress we have made to assist small businesses in navigating the state contracting process and provides program-specific data to support our efforts. We are also pleased to provide geographic information on the small diverse businesses participating in the Small Diverse Business program and a look at our recommendations for continued program improvement.

The Corbett Administration remains dedicated to working with small diverse businesses, their advocates, other stakeholders and the Pennsylvania General Assembly to maintain our focus on helping to improve the state contracting experience for small businesses and continuing to foster economic opportunity for all businesses.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Sheri Phillips', written in a cursive style.

Sheri Phillips  
Secretary of the Department of General Services

## Executive Overview

In 2011, Governor Tom Corbett solidified his commitment to small businesses by issuing two Executive Orders: Executive Order 2011-09, directing DGS to establish a program to reserve certain prime contracting opportunities for competition among only small businesses; and Executive Order 2011-10, to consider veteran-owned business status and include small veteran and service-disabled veteran owned businesses in the program formerly known as the disadvantaged business program.

As a result of these two executive orders, DGS renamed the Bureau of Minority and Women Business Opportunities the Bureau of Small Business Opportunities. This new name represents the expanded scope of the program and its responsibility to assist all small businesses in doing business with state government agencies.

This report details the achievements of the Bureau for Fiscal Year 2011-12. As the report notes:

- During the 2011-12 fiscal year, the total number of Minority, Women, Minority/Women, and Veteran-Owned Business Enterprises certified in good standing with DGS was up 2.46 percent to 2,790 from the previous year's total of 2,723.
- In 2011-12 there were 750 Minority Business Enterprises; 1,636 Women Business Enterprises; 369 Minority Women Business Enterprises; and 35 Veteran-Owned Business Enterprises.
- Moving forward, the Bureau of Small Business Opportunities will take steps to ensure the success of the new initiatives and improve program effectiveness including:
  - Further developing and simplifying the process for all eligible small businesses to become verified electronically as Small Diverse Businesses for participation in Commonwealth contracting opportunities.
  - Enabling small businesses to successfully compete for Commonwealth contracts on a level playing field through the Small Business Procurement Initiative.
  - Implementing a new Statement of Policy regarding Small Business Procurement Initiative Self-Certification and Small Diverse Business Verification.
  - Strengthening the web-presence of the bureau by reducing clutter and improving users' ability to easily find help and answers to questions.

The following report is provided pursuant to Section 2107 of the Commonwealth Procurement Code, 62 Pa. C.S. § 2107.

For your convenience, this report can be viewed and downloaded in its entirety from the DGS website at [www.dgs.state.pa.us](http://www.dgs.state.pa.us).

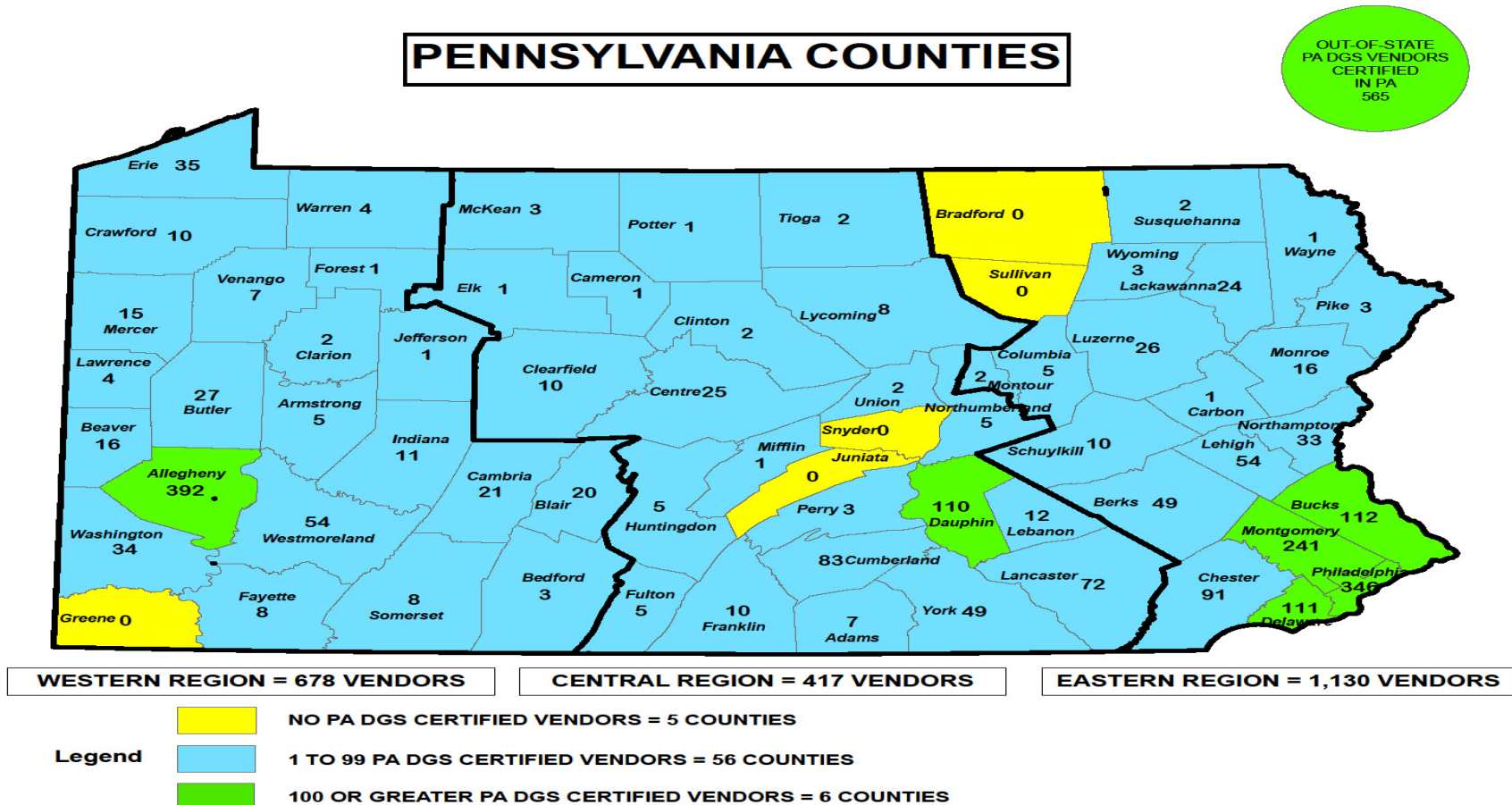
## Accomplishments in Fiscal Year 2011-12

Over the past fiscal year, both the Department of General Services (DGS) and the newly re-named Bureau of Small Business Opportunities (BSBO) [formerly known as the Bureau of Minority and Women Business Opportunities (BMWBO)], in partnership with all state agencies, have taken steps to ensure continued progress in affording maximum opportunities to small diverse businesses as well as increased access to information on those opportunities. Key accomplishments include:

- The November 2011 signing of Executive Order 2011-09 which charges DGS with providing small businesses more opportunity to compete against other small businesses for the award of Commonwealth contracts as prime contractors.
- The December 2011 signing of Executive Order 2011-10, issued to insure that Veterans and Service Disabled Veterans have opportunities to participate in Commonwealth contracts. DGS is the responsible agency to develop and implement programs that increase Veteran-owned and Service Disabled Veteran-owned small business contracting opportunities.
- For Fiscal Year 2011-12, Small Diverse Businesses achieved commitments of over 28% of the total contract award value for both Procurement Goods & Services and Construction contracts. Please see the chart on Page 8. This is a significant increase compared to the 17.21% commitment in the Fiscal Year 2010-11.
- For Fiscal Year 2011-12, Small Diverse Businesses achieved commitments totaling 20.12% in Procurement Goods & Services compared to 15.87% in the previous fiscal year.
- For Fiscal Year 2011-12, Small Diverse Businesses achieved commitments totaling 44.70% in Construction contracts compared to 23.15% in the previous fiscal year.
- Although there was a slight reduction in total contracts awarded compared to the prior fiscal year, Small Diverse Businesses enjoyed a 35% increase in dollar value commitments or more than 411 million dollars in Small Diverse Business commitments.
- BSBO's participation in the March 28, 2012, Annual Harrisburg Small Business Expo sponsored by the City of Harrisburg, the Naval Supply Systems Command, the Pennsylvania Department of General Services and the Pennsylvania Department of Public Welfare. This expo provided an excellent opportunity for procurement professionals and business owners to network and discover the benefits associated with state and federal certifications, procurement policies and processes, and upcoming procurements opportunities.

# Map of Department of General Services (DGS) Certified Vendors

During the 2011-12 fiscal year, a total of 2,790 Minority, Women, Minority/Women, and Veteran-Owned Business Enterprises were certified in good standing with DGS. When compared to the previous year's 2,723 the number of certified vendors has increased by 67 or 2.46%.



## DGS Certified Vendors by Region, County, and Vendor Classification

The chart below provides regional and county data on the number of Minority, Women, Minority/Women and Veteran-Owned Businesses certified with DGS during the 2011-12 fiscal year. Regionally, 678 or 24.30% of these vendors were headquartered in Western PA, 417 or 14.95% in Central PA, 1,130 or 40.50% in Eastern PA. Minority Business Enterprises represented 26.88%, Women Business Enterprises 58.64%, Minority Women Business Enterprises 13.23%, and Veteran-Owned Business Enterprises 1.25% of the total vendor population.

WESTERN PA REGION - 678 VENDORS						CENTRAL PA REGION - 417 VENDORS						EASTERN PA REGION - 1,130 VENDORS					
COUNTY	MBE	WBE	M/WBE	VOBE	TOTAL	COUNTY	MBE	WBE	M/WBE	VOBE	TOTAL	COUNTY	MBE	WBE	M/WBE	VOBE	TOTAL
Allegheny	90	253	45	4	392	Adams	0	7	0	0	7	Berks	11	36	1	1	49
Armstrong	0	5	0	0	5	Cameron	0	1	0	0	1	Bradford	0	0	0	0	0
Beaver	2	13	1	0	16	Centre	4	18	3	0	25	Bucks	19	85	8	0	112
Bedford	0	3	0	0	3	Clearfield	0	9	1	0	10	Carbon	0	1	0	0	1
Blair	1	19	0	0	20	Clinton	1	1	0	0	2	Chester	17	66	6	2	91
Butler	3	23	1	0	27	Cumberland	14	58	9	2	83	Columbia	1	4	0	0	5
Cambria	3	17	1	0	21	Dauphin	39	54	16	1	110	Delaware	32	53	23	3	111
Clarion	0	1	1	0	2	Elk	0	1	0	0	1	Lackawanna	4	20	0	0	24
Crawford	0	10	0	0	10	Franklin	0	9	0	1	10	Lehigh	16	30	8	0	54
Erie	6	25	3	1	35	Fulton	0	5	0	0	5	Luzerne	2	22	1	1	26
Fayette	0	7	1	0	8	Huntingdon	0	5	0	0	5	Monroe	4	7	5	0	16
Forest	0	1	0	0	1	Juniata	0	0	0	0	0	Montgomery	61	145	32	3	241
Greene	0	0	0	0	0	Lancaster	23	42	6	1	72	Montour	1	1	0	0	2
Indiana	3	8	0	0	11	Lebanon	1	10	0	1	12	Northampton	6	20	7	0	33
Jefferson	0	1	0	0	1	Lycoming	2	6	0	0	8	Philadelphia	131	120	94	1	346
Lawrence	0	4	0	0	4	McKean	0	3	0	0	3	Pike	0	3	0	0	3
Mercer	2	12	0	1	15	Mifflin	0	1	0	0	1	Schuylkill	3	5	0	2	10
Somerset	0	7	1	0	8	Northumberland	1	3	1	0	5	Sullivan	0	0	0	0	0
Venango	0	7	0	0	7	Perry	0	3	0	0	3	Susquehanna	0	2	0	0	2
Warren	1	3	0	0	4	Potter	0	1	0	0	1	Wayne	0	1	0	0	1
Washington	6	26	2	0	34	Snyder	0	0	0	0	0	Wyoming	0	3	0	0	3
Westmoreland	8	41	2	3	54	Tioga	0	2	0	0	2						
Union	0	2	0	0	2	York	8	38	3	0	49						
<b>TOTALS</b>	<b>125</b>	<b>486</b>	<b>58</b>	<b>9</b>	<b>678</b>	<b>TOTALS</b>	<b>93</b>	<b>279</b>	<b>39</b>	<b>6</b>	<b>417</b>	<b>TOTALS</b>	<b>308</b>	<b>624</b>	<b>185</b>	<b>13</b>	<b>1,130</b>

TOTAL PA CERTIFIED VENDORS PER CLASSIFICATION	# OF VENDORS
Minority Business Enterprises (MBEs)	750
Women Business Enterprises (WBEs)	1,636
Minority Women Business Enterprises (MWBEs)	369
Veteran-Owned Business Enterprises (VOBEs)	35
<b>Grand Total</b>	<b>2,790</b>

OUT-OF-STATE - 565 VENDORS					
COUNTY	MBE	WBE	M/WBE	VOBE	TOTAL
Out-of-State	224	247	87	7	565

## Commonwealth Procurement Narrative

Annually, the Commonwealth purchases approximately \$4.5 billion in services, supplies, and construction. These purchases, as well as the Department's duties relative to providing assistance to small diverse businesses, is guided by the Commonwealth Procurement Code at 62 Pa. C.S. § 101. A number of formal purchasing programs are utilized in procuring a significant amount of these services, supplies, and construction. Those used are the Invitation For Bid (IFB), Request For Proposal (RFP) and Invitation To Qualify (ITQ). IFBs and RFPs are among the most commonly utilized and preferred of the procurement methods.

The IFB process is the most frequently used solicitation in the Commonwealth. This process, also known as the "low bid" process, considers cost only with respect to contract award. The RFP process is second to the IFB in terms of frequency of use. The RFP process defines a need, and requires proposers to offer solutions. Upon receipt of responses, the technical components of the solution presented, along with its cost and the proposers commitment to small diverse businesses, is evaluated to determine award. The ITQ process, which is utilized for the purchase of various goods and services, including Information Technology (IT) products and services, uses a prequalification process that qualifies suppliers for specific services described in the ITQ and provides them with a contract. Agencies then fulfill their purchases as needed by issuing Request for Quotes (RFQs) to these prequalified vendors. Regardless of the solicitation used, bidders and proposers must be deemed both responsive and responsible in order to be selected for contract award. Responsive and responsible bidders and proposers are those submitting information that fulfills the technical requirements associated with the solicitation type, and those that can reliably do what they are contracted to do in accordance with the solicitation.

The Commonwealth's Department of General Services (DGS) is the department responsible for the procurement and administration of its purchased services, supplies, and construction. In the event that DGS delegates this authority back to a requesting agency the Bureau of Small Business Opportunities continues to monitor the procurement to ensure that policies relative to the solicitation of small diverse businesses are followed. DGS has realized significant participation by small diverse businesses as subcontractors, suppliers, and professional service providers.

The next several pages of this report provide information on contract awards for Commonwealth purchased services, supplies, and construction. Additionally provided are the related commitments to small and diverse businesses. This information is presented by procurement category both in "Summary" and "Detail" formats.



## Summary of Fiscal Year 2011-12 Commonwealth Contract Awards and Commitments

A summation of Commonwealth contract awards and commitments to small diverse businesses for a host of Commonwealth goods and services are provided within the following chart. This information is presented for each solicitation and procurement method (IFB, RFP and ITQ) utilized to purchase the various goods and services.

Featured on subsequent pages are details relating to the total value and commitment level to small diverse businesses in the procurement of goods and services, construction, and professional design spending categories.

### SUMMARY OF CONTRACT AWARDS & COMMITMENTS - FISCAL YEAR 2011-12

CATEGORY OF SPENDING	TOTAL CONTRACT AWARD \$ VALUE	TOTAL SDB COMMITMENT \$ VALUE	% COMMITTED TO SDBs
<b>PROCUREMENT GOODS &amp; SERVICES</b>			
Request For Proposals	\$917,476,632	\$176,179,739	19.20%
Invitation to Qualify (RFQs)	\$12,458,347	\$1,561,704	12.54%
IT - Staff Augmentation	\$45,558,780	\$18,504,894	40.62%
<b>SUBTOTAL :</b>	<b>\$975,493,759</b>	<b>\$196,246,337</b>	<b>20.12%</b>
<b>CONSTRUCTION</b>			
DGS Request For Proposals	\$341,299,000	\$196,126,400	57.46%
DGS Invitation For Bids	\$96,076,390	\$12,807,786	13.33%
Other Agency Invitation For Bids	\$42,757,549	\$5,678,550	13.28%
<b>SUBTOTAL :</b>	<b>\$480,132,939</b>	<b>\$214,612,736</b>	<b>44.70%</b>
<b>PROFESSIONAL DESIGN</b>			
Form 150 - Application For Specific Project	\$5,048,240	\$208,000	4.12%
<b>TOTAL :</b>	<b>\$1,460,674,938</b>	<b>\$411,067,073</b>	<b>28.14%</b>

(SDB) – Small Diverse Business

## Procurement of Goods and Services

The data below represents procurement contract awards and small diverse business commitments detailed by purchasing agency for fiscal year 2011-12. In addition, the Commonwealth awarded twelve (12) no cost contracts. Of the twelve awarded, eleven had small diverse commitments, and one contract was awarded to a small diverse business as a prime contractor.

### PROCUREMENT REQUEST FOR PROPOSALS/QUOTES - FISCAL YEAR 2011-12

Agency	Number of RFP/RFQ's Issued	Number of Contracts Awarded	Total Procurement Prime Contract Awards	MBE Commitments	MBE %	WBE Commitments	WBE %	MWBE Commitments	MWBE %
Community & Economic Development	4	5	\$3,641,919.14	\$259,762.13	7.13%	\$1,249,362.00	34.31%	\$32,832.50	0.90%
Conservation & Natural Resources	3	3	\$455,000.00	\$103,750.00	22.80%	\$308,750.00	67.86%	\$0.00	0.00%
Corrections	2	2	\$482,892.64	\$270,999.84	56.12%	\$0.00	0.00%	\$42,378.56	8.78%
Education	1	1	\$1,338,742.86	\$0.00	0.00%	\$133,874.29	10.00%	\$0.00	0.00%
Environmental Protection	4	17	\$1,250,000.00	\$2,000.00	0.16%	\$339,000.00	27.12%	\$0.00	0.00%
Game Commission	2	2	\$2,841,036.52	\$0.00	0.00%	\$2,729,970.00	96.09%	\$0.00	0.00%
General Services	6	7	\$149,266,752.02	\$315,050.00	0.21%	\$9,692,213.08	6.49%	\$443,280.39	0.30%
Health	5	5	\$9,673,490.00	\$0.00	0.00%	\$48,867.99	0.51%	\$240,270.48	2.48%
Labor & Industry	3	3	\$4,883,155.12	\$0.00	0.00%	\$742,465.62	15.20%	\$105,000.00	2.15%
Liquor Control Board	2	2	\$4,509,500.00	\$0.00	0.00%	\$819,500.00	18.17%	\$0.00	0.00%
Office of Administration	3	3	\$6,320,523.60	\$671,685.52	10.63%	\$254,301.78	4.02%	\$0.00	0.00%
Probation & Parole	1	1	\$431,388.63	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
Public Utility Commission	2	2	\$12,150,000.00	\$0.00	0.00%	\$720,000.00	5.93%	\$0.00	0.00%
Public Welfare	8	16	\$660,613,999.06	\$39,237,948.53	5.94%	\$16,038,813.63	2.43%	\$81,246,074.82	12.30%
Revenue	1	1	\$746,869.50	\$0.00	0.00%	\$112,030.43	15.00%	\$0.00	0.00%
State	2	2	\$59,400.00	\$2,970.00	5.00%	\$0.00	0.00%	\$0.00	0.00%
State Employees Retirement Sys	1	1	\$740,805.00	\$0.00	0.00%	\$99,267.87	13.40%	\$0.00	0.00%
Transportation	6	6	\$58,071,157.52	\$166,541.27	0.29%	\$19,750,777.91	34.01%	\$0.00	0.00%
<b>Grand Totals:</b>	<b>56</b>	<b>79</b>	<b>\$917,476,631.61</b>	<b>\$41,030,707.29</b>	<b>4.47%</b>	<b>\$53,039,194.60</b>	<b>5.78%</b>	<b>\$82,109,836.75</b>	<b>8.95%</b>

<b>Total Commitments to Small Diverse Businesses:</b>	<b>\$176,179,738.64</b>	<b>19.20%</b>
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## Information Technology Invitation to Qualify (IT-ITQ)

In July 2011, the Office of Administration (OA) was delegated full authority for the procurement of Information Technology (IT) supplies and services. The Office of Administration, Office for Information Technology (OA-OIT) formulates policy in regard to the identification and description of computer, electronic, telecommunications, and radio hardware, software and services to be procured by executive agencies and independent agencies for which DGS acts as the purchasing agency. The data below represents IT-ITQ contract awards and small diverse business commitments participation detail for the fiscal year 2011-12.

### IT-INVITATION TO QUALIFY (Request for Quotes > \$250,000) FISCAL YEAR 2011-12

Agency	RFQ's Issued	# of Contracts Awarded	Total Value of Agency Contracts Prime Contracts	MBE Commitments	MBE %	WBE Commitments	WBE %	MWBE Commitments	MWBE %
Liquor Control Board	1	1	\$11,092,110.50	\$0.00	0.00%	\$0.00	0.00%	\$1,207,930.00	10.89%
Office of Administration	3	3	\$1,366,236.08	\$128,986.88	9.44%	\$224,787.06	16.45%	0.00	0.00%
<b>Grand Totals:</b>	<b>4</b>	<b>4</b>	<b>\$12,458,346.58</b>	<b>\$128,986.88</b>	<b>1.04%</b>	<b>\$224,787.06</b>	<b>1.80%</b>	<b>\$1,207,930.00</b>	<b>9.70%</b>

<b>Total Commitments to Small Diverse Businesses:</b>	<b>\$1,561,703.94</b>	<b>12.54%</b>
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## Enterprise IT Staff Augmentation Services

The Commonwealth's Enterprise IT Staff Augmentation Services (IT Staff Aug) contract was developed to provide temporary IT resources to assist on short-term, information technology projects. This contract serves as an enterprise solution and supports the state's strategic initiatives aimed at reducing costs, improving productivity and processes, increasing competition for IT service suppliers and expanding opportunities for small diverse businesses. For fiscal year 2011-12, the staff augmentation contract is broken out by two categories "Total Spend" and "Available Spend".

### STAFF AUGMENTATION SERVICES-FISCAL YEAR 2011-12 (TOTAL SPEND)\*

Agency	# of Engagements	Total Value of Agency Contracts Prime Contracts	MBE Commitments	MBE %	WBE Commitments	WBE %	MWBE Commitments	MWBE %
Office of Administration Office of Information Technology	409	\$45,558,779.56	\$10,842,408.40	23.80%	\$4,878,616.34	10.71%	\$2,783,869.18	6.11%
<b>Totals:</b>	<b>409</b>	<b>\$45,558,779.56</b>	<b>\$10,842,408.40</b>	<b>23.80%</b>	<b>\$4,878,616.34</b>	<b>10.71%</b>	<b>\$2,783,869.18</b>	<b>6.11%</b>

<b>Total Commitments to Small Diverse Businesses:</b>	<b>\$18,504,893.92</b>	<b>40.62%</b>
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\*Total Spend includes all work performed under the contract.

### STAFF AUGMENTATION SERVICES-FISCAL YEAR 2011-12 (AVAILABLE SPEND)\*

Agency	# of Engagements	Total Value of Agency Contracts Prime Contracts	MBE Commitments	MBE %	WBE Commitments	WBE %	MWBE Commitments	MWBE %
Office of Administration Office of Information Technology	126	\$9,711,288.88	\$3,599,399.01	37.06%	\$462,950.76	4.77%	\$1,476,404.84	15.20%
<b>Totals:</b>	<b>126</b>	<b>\$9,711,288.88</b>	<b>\$3,599,399.01</b>	<b>37.06%</b>	<b>\$462,950.76</b>	<b>4.77%</b>	<b>\$1,476,404.84</b>	<b>15.20%</b>

<b>Total Commitments to Small Diverse Businesses:</b>	<b>\$5,538,754.61</b>	<b>57.03%</b>
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\*Available Spend includes all work released to the network of suppliers enrolled under the Staff Augmentation contract. However, Available Spend does not include any work performed by a named resource or via a contract renewal/extension.

## Construction

During any given fiscal year, the Department of General Services' (DGS) Public Works deputation manages roughly \$1.5 billion in Commonwealth construction projects. This does not include a number of projects delegated to and managed by the Department of Conservation and Natural Resources (DCNR) for facilities and improvement projects in State Parks and State Forests, as well as Department of Environmental Protection (DEP) non-building improvement projects such as mine reclamation, oil and gas well plugging, waste site remediation, flood control and stream rehabilitation.

DGS utilizes primarily the IFB solicitation method when securing these construction contractors. The RFP method of solicitation is utilized when legislatively mandated upon the release of funding for the project.

The data below represents Commonwealth construction contract awards and small diverse business participation detail for the fiscal year 2011-12.

### CONSTRUCTION - FISCAL YEAR 2011-12

Agency	Number of Contracts Awarded	Total \$ Value Construction Prime Contract Awards	\$ Value MBE Commitments	% MBE Commitments	\$ Value WBE Commitments	% WBE Commitments	\$ Value (SDB) Diverse Business Commitments	% Value (SDB) Diverse Business Commitments
DGS - IFBs	134	\$96,076,390	\$6,274,477	6.53%	\$6,533,309	6.80%	\$0	0.00%
DGS - RFPs (BV)	4	\$16,882,000	\$3,900,000	23.10%	\$851,800	5.05%	\$0	0.00%
DGS - RFPs (D/B)	2	\$324,417,000	N/A	N/A	N/A	N/A	\$191,374,600	58.99%
DCNR - IFBs	43	\$23,950,426	\$862,108	3.60%	\$3,430,991	14.33%	\$0	0.00%
DEP - IFBs	26	\$18,807,123	\$515,965	2.74%	\$869,486	4.62%	\$0	0.00%
<b>Total:</b>	<b>209</b>	<b>\$480,132,939</b>	<b>\$11,552,550</b>	<b>2.41%</b>	<b>\$11,685,586</b>	<b>2.43%</b>	<b>\$191,374,600</b>	<b>39.86%</b>
<b>Total Commitments To Small &amp; Diverse Businesses:</b>					<b>\$214,612,736</b>		<b>44.70%</b>	

**(BV) – Best Value RFP**

**(D/B) – Design Build RFP**

## Professional Design

Also through the Public Works deputation, DGS procures professional design services (architectural and engineering) for many of its advertised capital funded projects; Agency projects are typically designed with in-house staff. The procurement of these services is achieved through the advertisement of professional design service opportunities. Interested parties are required to complete and submit a professional design application form for appointment consideration. Small diverse business participation is encouraged and incorporated into the professional design services procurement process.

The data below represents Commonwealth professional design appointments and small diverse business participation detail for the fiscal year 2011-12, inclusive of appointments to DGS certified small diverse businesses. Commitments to these small diverse businesses reflect instances where the Commonwealth appointed small diverse professional design firms as lead designers. It should be noted that the below data does not include any participation of such firms as sub and/or key consultants to lead designers.

### PROFESSIONAL DESIGN - FISCAL YEAR 2011-12

Agency	Number of Appointments	Number of Finalized Negotiated Fees for Appointments	Difference Number of [Appointments] vs. [Negotiated Fees]	\$ Value of Finalized Negotiated Fees For Appointments	Number of MBE/WBE Finalized Negotiated Fees for Appointments	\$ Value of Finalized MBE/WBE Negotiated Fees For Appointments	% Value of Finalized MBE/WBE Negotiated Fees For Appointments
DGS - 150-ASP	35	8	27	\$5,048,240	1	\$208,000	4.12%
<b>Total Commitments To Small &amp; Diverse Businesses:</b>					<b>\$208,000</b>	<b>1</b>	<b>4.12%</b>

Professional Design small diverse business spend is captured after “negotiated fees” for such services are finalized between “Appointed Professional Design Firms” and the “Commonwealth.” As noted above, although there were a total of 35 professional design appointments during the 2011-12 fiscal year, “negotiated fees” were finalized for only eight.

## Recommendations

During the past year, DGS has made significant changes and considerable progress in its efforts to offer increased opportunities to all small business owners, including diverse small businesses. The addition of the Small Business Procurement Initiative (SBPI) and the expansion of the Small Diverse Business Program will enable small businesses to compete with other small businesses to become prime contractors for Commonwealth contracting opportunities and increase opportunities for veteran and service-disabled veteran owned businesses to participate in the contracting process together with minority and woman owned businesses.

With small businesses and small diverse businesses now at the forefront, DGS has pursued a number of critical changes. For instance, the former Bureau of Minority and Women Business Opportunities (BMWBO) was recently re-named the Bureau of Small Business Opportunities (BSBO) to more appropriately reflect the department's mission and the Governor's initiatives. The BSBO has received interim approval from the Office of Administration for a re-organization plan to meet the new and expanded needs and duties of the bureau.

In the upcoming year, DGS will focus on implementing recommendations to insure the success of these new initiatives, and improve program effectiveness by aligning the BSBO's mission with the new Statements of Policy. Several of these recommendations are highlighted below.

- Finalize and publish the new Statement of Policy for Small Business Procurement Initiative certification and Small Diverse Business Program verification procedures.
- Further develop and simplify the process for minority-owned, women-owned, veteran-owned and service-disabled veteran-owned small businesses to become verified electronically as Small Diverse Businesses for eligibility to participate in Commonwealth contracting opportunities.
- Make improvements to the BSBO website to reduce clutter and improve ease in finding help and answers to questions.
- Strengthen enforcement of commitment through compliance auditing and investigations, and levy sanctions in instances of false representation or abuse of program guidelines.
- Work in conjunction with DGS Public Works and Bureau of Procurement to develop and offer workshops for small and small diverse businesses along with on-line tutorials to assist in certification, verification and identifying contracting opportunities.
- Partner with business associations and organizations that represent various facets of the small business community to increase participation and provide real contract opportunities to help grow small businesses.
- Provide transparency in program data reports through use of technology.

DGS looks forward to updating readers with our progress on these important initiatives in next year's Annual Report, covering Fiscal Year 2012-13.