

Bill No. 39-19
Concerning: Contracts and Procurement
– Local Small Business Reserve
Program (LSBRP) – Amendments
Revised: 02/25/2020 Draft No. 8
Introduced: December 3, 2019
Enacted: February 25, 2020
Executive: March 2, 2020
Effective: June 1, 2020
Sunset Date: None
Ch. 5, Laws of Mont. Co. 2020

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Councilmember Jawando
Co-Sponsors: Councilmembers Rice, Navarro, Riemer, Albornoz, Glass, Council Vice-President
Hucker, Council President Katz, and Councilmember Friedson

AN ACT to:

- (1) define a direct purchase;
- (2) alter the definition of a local small business to permit the participation of non-profit organizations;
- (3) increase the minimum percentage of contracts that must be awarded to small businesses;
- (4) establish a goal to award certain direct purchases to local small businesses;
- (5) alter reporting requirements; and
- (6) generally amend the Local Small Business Reserve Program.

By amending

Montgomery County Code
Chapter 11B, Contracts and Procurement
Sections 11B-65, 11B-66, and 11B-69

| | |
|------------------------------|--|
| Boldface | <i>Heading or defined term.</i> |
| <u>Underlining</u> | <i>Added to existing law by original bill.</i> |
| [Single boldface brackets] | <i>Deleted from existing law by original bill.</i> |
| <u>Double underlining</u> | <i>Added by amendment.</i> |
| [[Double boldface brackets]] | <i>Deleted from existing law or the bill by amendment.</i> |
| * * * | <i>Existing law unaffected by bill.</i> |

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Sections 11B-65, 11B-66, and 11B-69 are amended as follows:**

2 **11B-65. Definitions.**

3 In this Article the following words have the meanings indicated.

4 ~~[[a)]~~ Direct purchase means ~~[[a non-competitive procurement of construction,~~
5 goods, or services with a total value of no more than:

- 6 (1) \$10,000; or
- 7 (2) a higher dollar amount adopted under method 2 regulations]] an
8 informal solicitation defined by regulation under Section 11B-13.

9 ~~[(a)]~~ ~~[[b)]~~ *Local Small Business* means a for-profit business[,] or non-profit
10 entity, other than a broker, that:

- 11 (1) has its principal place of business or non-profit operations in the
12 County;
- 13 (2) in the case of a for-profit business, is independently owned and
14 operated;
- 15 (3) is not a subsidiary of another business or entity; and
- 16 (4) meets criteria, size limits, and gross sales amounts established by
17 method 2 regulations.

18 ~~[(b)]~~ ~~[[c)]~~ *Local Small Business Reserve* means any procurement that is
19 limited to responses from local small businesses.

20 * * *

21 **11B-66. Local Small Business Reserve Program.**

22 * * *

23 (b) Minimum Requirements.

- 24 (1) ~~[[A]]~~ Subject to Method 2 regulations, a using department’s
25 procurement procedures must award a minimum of ~~[20]~~ 25 percent
26 of the using department’s combined dollar value of contracts
27 issued for goods, services, or construction, including direct

28 purchases, to local small businesses[[, subject to method 2
29 regulations]].

30 (2) A using department must have a goal to award at least 50 percent
31 of the combined dollar value of its direct purchases to local small
32 businesses.

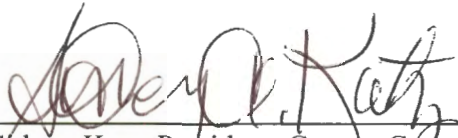
33 * * *

34 **11B-69. Reports.**

35 (a) By October 30 each year, each using department must submit to the
36 Director a report on the number, type, and dollar amount of contracts,
37 including direct purchases, issued under this Article.

38 (b) By November 30 each year, the Director must report to the Council on
39 the Local Small Business Reserve Program. This report must include the
40 number, type, and dollar amount of contracts, including direct purchases,
41 awarded under this Article during the preceding fiscal year, the number,
42 type, and dollar amount of each waiver, information about how these
43 numbers have changed from the preceding fiscal year, and the extent of
44 outreach efforts.

Approved:



Sidney Katz, President, County Council

2/26/2020

Date

Approved:



Marc Elrich, County Executive

3/2/20

Date

This is a correct copy of Council action.



Selena Mendy Singleton, Esq., Clerk of the Council

3/9/20

Date