



Committee: GO
Committee Review: At a future date
Staff: Robert H. Drummer, Senior Legislative Attorney
Purpose: To receive testimony – no vote expected
Keywords: #MoCoMinorityOwnedBizPurchases

AGENDA ITEM #7
July 20, 2021
Public Hearing

SUBJECT

Expedited Bill 29-21, Contracts and Procurement – Minority Owned Businesses - Sunset Date – Amendments

Lead Sponsor: County Council

EXPECTED ATTENDEES

None

COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- Whether to extend the sunset of the MFD Program.
- How long to extend it.

DESCRIPTION/ISSUE

Should the Council extend the time for the Executive to submit a report on the need to continue the MFD Program and should the Council extend the MFD Program.

SUMMARY OF KEY DISCUSSION POINTS

- The need to extend the MFD Program.

This report contains:

Staff Report	Page 1-2
E-Bill 29-21	©1
LRR	©3
Fiscal Impact Statement	©4

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MEMORANDUM

July 15, 2021

TO: County Council

FROM: Robert H. Drummer, Senior Legislative Attorney

SUBJECT: Expedited Bill 29-21, Contracts and Procurement – Minority Owned Businesses - Sunset Date – Amendment

PURPOSE: Public Hearing – no Council votes required

Expedited Bill 29-21, Contracts and Procurement – Minority Owned Businesses - Sunset Date - Amendments, sponsored by Lead Sponsor County Council, was introduced on July 13, 2021. A Government Operations and Fiscal Policy Committee worksession will be scheduled a later date.¹

Background

Chapter 11B, Article XIV of the County’s Procurement Law authorizes a program to remedy the effects of discrimination against certain Minority Owned Businesses that is scheduled to sunset on December 31, 2021. County Code §11B-61(b) states:

By July 1, 2021, the County Executive must submit a report to the County Council evaluating the need to extend the minority owned business purchasing program.

The County Executive submitted a Disparity Study to the Council on July 1, 2014 prepared by Griffin and Strong that supported the continuation of the program and the Council extended the sunset date until December 31, 2021 based on this Disparity Study. The law requires the Executive to submit a report by July 1, 2021 evaluating the need to extend this program.

The Council is introducing a special appropriation to fund a disparity study this year along with Bill 29-21. The Executive is unable to evaluate the need to continue the program without an updated disparity study based on more recent contracting data.

E-Bill 29-21 would extend the time for the report until July 1, 2023 and the sunset date of the program until December 31, 2023. Bill 29-21 would extend the program for 2 years and require

¹#MoCoMinorityOwnedBizPurchases

Other search terms: Minority owned purchases, Minority owned businesses, County purchases

the Director of the Office of Procurement to submit the report to the Council and the Executive on the need to continue the Program.

This packet contains:

Expedited Bill 29-21

Legislative Request Report

Fiscal and Economic Impact Statement

Circle #

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Expedited Bill No. 29-21
Concerning: Contracts and Procurement
- Minority Owned Businesses -
Sunset Date - Amendments
Revised: 7-7-21 Draft No. 3
Introduced: July 13, 2021
Expires: January 13, 2023
Enacted: [date]
Executive: [date signed]
Effective: [date takes effect]
Sunset Date: [date expires]
Ch. [#], Laws of Mont. Co. [year]

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: County Council

AN EXPEDITED ACT to:

- (1) extend the sunset date for the County's minority owned business purchasing program; and
- (2) generally amend the County's minority owned business purchasing program.

By amending

Montgomery County Code
Chapter 11B, Contracts and Procurement
Sections 11B-61 and 11B-64

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-61 and 11B-64 are amended as follows:**

2 **11B-61. Reports.**

3 * * *

4 (b) By July 1, [2021] 2023, the [County Executive] Director of the Office
5 of Procurement must submit a report to the County Council evaluating
6 the need to extend the minority owned business purchasing program.

7 **Sec. 11B-64. Sunset date.**

8 This Article is not effective after December 31, [2021] 2023.

9 **Sec. 2. Expedited Effective Date.**

10 The Council declares that this legislation is necessary for the immediate
11 protection of the public interest. This Act takes effect on the date on which it
12 becomes law.

Approved:

Tom Hucker, President, County Council

Date

Approved:

Marc Elrich, County Executive

Date

This is a correct copy of Council action.

Selena Mendy Singleton, Esq., Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Expedited Bill 29-21

Contracts and Procurement – Minority Owned Businesses - Sunset Date – Amendments

DESCRIPTION: Bill 29-21 would extend the sunset date for the County’s minority owned business purchasing program until December 31, 2023.

PROBLEM: The County’s minority owned business purchasing program is set to expire on December 31, 2021 unless the Council extends the sunset date.

GOALS AND OBJECTIVES: The goal is to extend the program.

COORDINATION: County Attorney; Office of Procurement

FISCAL IMPACT: OMB

ECONOMIC IMPACT: Finance

EVALUATION: To be done.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Robert H. Drummer, Senior Legislative Attorney

APPLICATION WITHIN MUNICIPALITIES: N/A

PENALTIES: Class A Violation

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Fiscal Impact Statement
Bill 29-21, Contracts and Procurement – Minority Owned Businesses –
Sunset Date - Amendments

1. Summary:

Expedited Bill 15-19 extended the sunset date for the County’s minority owned business purchasing program until December 31, 2021. Bill 29-21 would extend the deadline that the County Executive must submit a disparity study to the Council by another two years, July 1, 2023.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes sources of information, assumptions, and methodologies used.

The bill does not impact revenue or expenditures.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years. There are no anticipated changes to expenditures beyond the normal personnel costs.

The bill does not impact revenue or expenditures.

4. An actuarial analysis through the entire amortization period that would affect retiree pension or group insurance costs.

Not applicable.

5. An estimate of expenditures related to County’s information technology (IT) systems, including Enterprise Resource Planning (ERP) systems.

Not applicable.

6. Later actions that may affect future revenue and expenditures if the regulation authorizes future spending.

Not applicable.

7. An estimate of the staff time needed to implement the executive regulation.

Not applicable.

8. An explanation of how the addition of new staff responsibilities would affect other duties.

Not applicable.

9. An estimate of costs when an additional appropriation is needed.

Not applicable.

10. A description of any variable that could affect revenue and cost estimates.

Not applicable.

11. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not applicable.

12. If the proposed regulation is likely to have no fiscal impact, why that is the case.

The bill simply changes the deadline for submitting a disparity study.

13. Other fiscal impacts or comments.

Not applicable.

14. The following contributed to and concurred with this analysis:

Avinash G. Shetty, Office of Procurement
Marc Hansen, Office of the County Attorney
Rafael Pumarejo Murphy, Office of Management and Budget

Jennifer Bryant, Director
Office of Management and Budget

Date