

HB0014/896488/1

BY: Health and Government Operations Committee

AMENDMENTS TO HOUSE BILL 14  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, strike “all” and substitute “certain”; in line 6, after “condition;” insert “altering a certain definition; declaring the intent of the General Assembly; requiring the Council for the Procurement of Health, Educational, and Social Services and the Secretary of General Services or the Secretary’s designee to conduct a certain study and report to the Board of Public Works and the General Assembly on or before a certain date;”; in line 11, after “Section” insert “14-501 and”; and after line 13 insert:

“BY repealing and reenacting, without amendments,  
Article - State Finance and Procurement  
Section 14-502  
Annotated Code of Maryland  
(2009 Replacement Volume and 2013 Supplement)”.

AMENDMENT NO. 2

On page 1, after line 16, insert:

“14-501.

(a) In this subtitle the following words have the meanings indicated.

(b) “Designated procurement unit” means:

(1) the State Treasurer;

(2) the Department of Information Technology;

(Over)

- (3) the Department of Business and Economic Development;
- (4) the Department of the Environment;
- (5) the Department of General Services;
- (6) the Department of Health and Mental Hygiene;
- (7) the Department of Housing and Community Development;
- (8) the Department of Human Resources;
- (9) the Department of Juvenile Services;
- (10) the Department of Labor, Licensing, and Regulation;
- (11) the Department of Natural Resources;
- (12) the State Department of Education;
- (13) the Department of State Police;
- (14) the Department of Public Safety and Correctional Services;
- (15) the Department of Transportation;
- (16) the University System of Maryland;
- (17) the Maryland Port Commission;
- (18) the State Retirement Agency;

- (19) the Maryland Insurance Administration;
- (20) the Maryland Stadium Authority;
- (21) the State Lottery and Gaming Control Agency;
- (22) the Morgan State University; and
- (23) the Maryland Transportation Authority.

(c) “Small business” means:

(1) a certified minority business enterprise, as defined in § 14–301 of this title, that meets the criteria specified under paragraph (2) of this subsection; or

(2) a business, other than a broker, that meets the following criteria:

(i) the business is independently owned and operated;

(ii) the business is not a subsidiary of another business;

(iii) the business is not dominant in its field of operation; and

(iv) 1. A. the wholesale operations of the business did not employ more than AN AVERAGE OF 50 persons PER YEAR in its most recently completed 3 fiscal years;

B. the retail operations of the business did not employ more than AN AVERAGE OF 25 persons PER YEAR in its most recently completed 3 fiscal years;

C. the manufacturing operations of the business did not employ more than AN AVERAGE OF 100 persons PER YEAR in its most recently completed 3 fiscal years;

D. the service operations of the business did not employ more than AN AVERAGE OF 100 persons PER YEAR in its most recently completed 3 fiscal years;

E. the construction operations of the business did not employ more than AN AVERAGE OF 50 persons PER YEAR in its most recently completed 3 fiscal years; and

F. the architectural and engineering services of the business did not employ more than AN AVERAGE OF 100 persons PER YEAR in its most recently completed 3 fiscal years; or

2. A. the gross sales of the wholesale operations of the business did not exceed an average of \$4,000,000 in its most recently completed 3 fiscal years;

B. the gross sales of the retail operations of the business did not exceed an average of \$3,000,000 in its most recently completed 3 fiscal years;

C. the gross sales of the manufacturing operations of the business did not exceed an average of \$2,000,000 in its most recently completed 3 fiscal years;

D. the gross sales of the service operations of the business did not exceed an average of \$10,000,000 in its most recently completed 3 fiscal years;

E. the gross sales of the construction operations of the business did not exceed an average of \$7,000,000 in its most recently completed 3 fiscal years; and

F. the gross sales of the architectural and engineering services of the business did not exceed an average of \$4,500,000 in its most recently completed 3 fiscal years.

(d) “Small business reserve” means those procurements that are limited to responses from small businesses under [§ 14–502 (b)] § 14-502(C) of this subtitle.

14–502.

(a) Except as provided in subsection (d) of this section, this subtitle applies to all procurements by a designated procurement unit.

(b) This subsection does not apply to procurements subject to Subtitle 1 of this title.

(c) A designated procurement unit shall structure its procurement procedures to achieve a minimum of 10% of the unit’s total dollar value of goods, supplies, services, maintenance, construction, construction–related services, and architectural and engineering service contracts to be made directly to small businesses.

(d) The total dollar value of procurements by a designated procurement unit does not include the value of contracts to which this section does not apply because of a conflict with federal law.”.

AMENDMENT NO. 3

On page 2, in line 1, after “(B)” insert:

(Over)

**“(1) THIS SUBSECTION DOES NOT APPLY TO:**

**(I) A PROCUREMENT OF HUMAN, SOCIAL, CULTURAL, OR EDUCATION SERVICES;**

**(II) A SOLE SOURCE PROCUREMENT AUTHORIZED UNDER § 13-107 OF THIS ARTICLE;**

**(III) AN EMERGENCY PROCUREMENT AUTHORIZED UNDER § 13-108 OF THIS ARTICLE;**

**(IV) AN INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT AUTHORIZED UNDER § 13-110 OF THIS ARTICLE;**

**(V) A PROCUREMENT OF THE SAME TYPE AND NATURE AS THOSE IDENTIFIED IN ITEMS (II) THROUGH (IV) AS PERFORMED BY A DESIGNATED PROCUREMENT UNIT THAT IS EXEMPT FROM DIVISION II OF THIS ARTICLE IN ACCORDANCE WITH § 11-203 OF THIS ARTICLE; OR**

**(VI) A PROCUREMENT OF LEGAL SERVICES PROVIDED FOR CHILDREN AND INDIGENT ADULTS IN NEED OF ASSISTANCE, ADULT GUARDIANSHIPS, CHILD ADOPTIONS, AND GUARDIANSHIPS.**

**(2)”**.

**AMENDMENT NO. 4**

On page 2, after line 17, insert:

**“SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly to:**

(1) promote participation by small businesses in State contracting opportunities as part of the effort to increase the valuable contribution of small businesses to the State's economy and growth; and

(2) ensure that the Small Business Reserve Program as established under Title 14, Subtitle 5 of the State Finance and Procurement Article and amended by this Act does not displace or disrupt the important service relationships between nonprofit organizations and State agencies.

SECTION 3. AND BE IT FURTHER ENACTED, That on or before July 1, 2015, the Council for the Procurement of Health, Educational, and Social Services as established by § 12-110 of the State Finance and Procurement Article and the Secretary of General Services or the Secretary's designee shall:

(1) study the current and potential impact of the designation of contracts for the Small Business Reserve Program on nonprofit organizations contracting with State agencies, including consideration of the State's policy interest in promoting participation by small businesses in State contracting opportunities and the State's policy interest in providing nonprofit corporations access to contracting opportunities that permit the furtherance of the nonprofit corporations' tax exempt missions; and

(2) report the findings and recommendations of the study to the Board of Public Works and the General Assembly, in accordance with § 2-1246 of the State Government Article.”;

in line 18, strike “2.” and substitute “4.”.