HOUSE BILL 790

P2, P1 1lr2124 CF SB 598

By: Delegate P. Young

Introduced and read first time: January 29, 2021 Assigned to: Health and Government Operations

Committee Report: Favorable

House action: Adopted

Read second time: March 9, 2021

CHAPTER

1 AN ACT concerning

Procurement - Office of Small, Minority, and Women Business Affairs - Small Business Reserve Program and Veteran-Owned Small Business Enterprise Program

- 5 FOR the purpose of providing that the Small Business Reserve Program includes certain 6 veteran—owned small business enterprises that meet certain criteria; requiring the 7 Office of Small, Minority, and Women Business Affairs to adopt regulations to 8 establish a certain overall percentage goal of certain procurement contracts to be made with veteran-owned small business enterprises; requiring certain solicitation 9 10 documents to include certain information; altering the required contents of a certain 11 annual report; creating the Advisory Committee on Veteran-Owned Small Business 12 Enterprises in the Office; providing for the membership, chair, staffing, and duties 13 of the Advisory Committee; altering the duties of the Special Secretary for the Office; altering certain definitions; defining certain terms; and generally relating to the 14 15 Office of Small, Minority, and Women Business Affairs and procurement 16 preferences.
- 17 BY repealing and reenacting, with amendments,
- 18 Article State Finance and Procurement
- 19 Section 14–501 and 14–601 through 14–604
- 20 Annotated Code of Maryland
- 21 (2015 Replacement Volume and 2020 Supplement)
- 22 BY adding to
- 23 Article State Finance and Procurement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

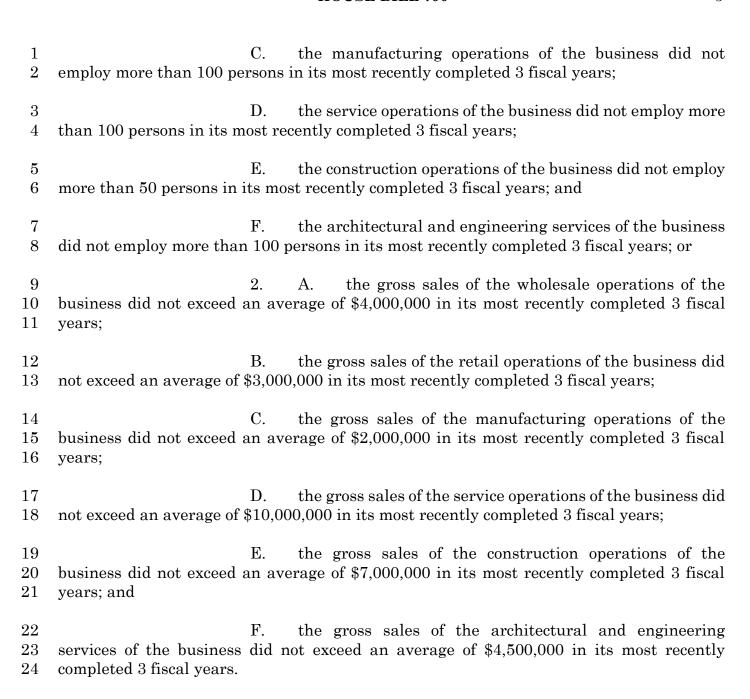
[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

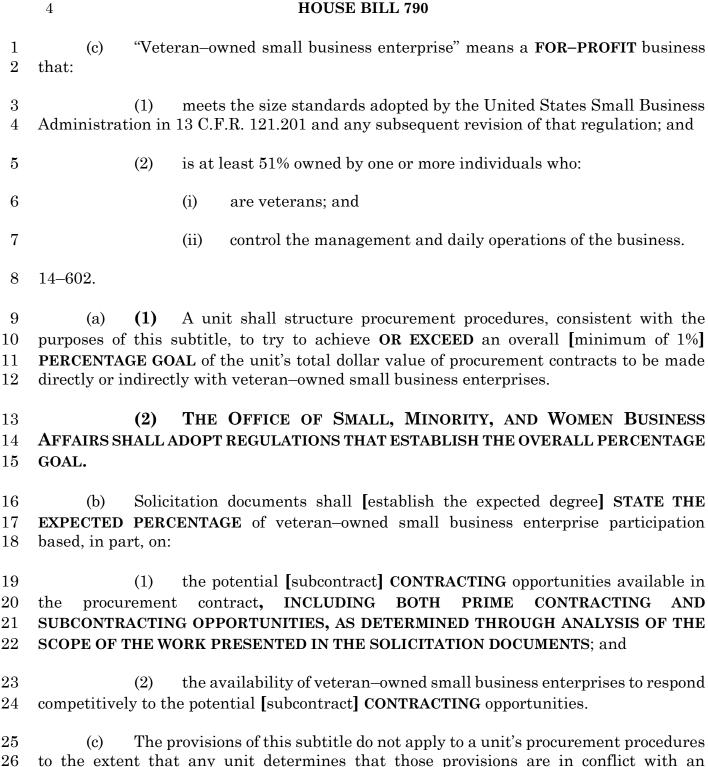


1 2 3	Section 14–604.1 Annotated Code of Maryland (2015 Replacement Volume and 2020 Supplement)									
4 5 6 7 8	BY repealing and reenacting, without amendments, Article – State Government Section 9–301(a) and (e) Annotated Code of Maryland (2014 Replacement Volume and 2020 Supplement)									
9 10 11 12 13	BY repealing and reenacting, with amendments, Article – State Government Section 9–304 Annotated Code of Maryland (2014 Replacement Volume and 2020 Supplement)									
14 15	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND That the Laws of Maryland read as follows:									
16	Article - State Finance and Procurement									
17	14–501.									
18	(a) In this subtitle the following words have the meanings indicated.									
19	(b) "Small business" means:									
20 21	(1) a certified minority business enterprise, as defined in § 14–301 of this title, that meets the criteria specified under item [(2)] (3) of this subsection;									
22 23 24	(2) A VETERAN-OWNED SMALL BUSINESS ENTERPRISE, AS DEFINED IN § $14-601$ OF THIS TITLE, THAT MEETS THE CRITERIA SPECIFIED UNDER ITEM (3) OF THIS SUBSECTION; or									
25	[(2)] (3) a business, other than a broker, that meets the following criteria:									
26	(i) the business is independently owned and operated;									
27	(ii) the business is not a subsidiary of another business;									
28	(iii) the business is not dominant in its field of operation; and									
29 30	(iv) 1. A. the wholesale operations of the business did not employ more than 50 persons in its most recently completed 3 fiscal years;									
31 32	B. the retail operations of the business did not employ more than 25 persons in its most recently completed 3 fiscal years;									



- 25 (c) "Small business reserve" means those procurements that are limited to 26 responses from small businesses under § 14–502(b) of this subtitle.
- 27 14-601.

- (a) In this subtitle the following words have the meanings indicated.
- 29 (b) "Veteran" means an individual who is verified [by the State Department of 30 Veterans Affairs] as having served on active duty in the armed forces of the United States, 31 other than for training, and was discharged or released under conditions other than 32 dishonorable.



28 14-603.

27

- 29 For procurements conducted by competitive sealed bidding, a unit shall award 30 the contract to the responsible bidder that submits the responsive bid that:
- has the lowest bid price; 31 (1) (i)

applicable federal program.

1	(ii) has the lowest evaluated bid price; or
2 3	(iii) for procurements subject to $\S~11-202(3)$ of this article, is the bid most favorable to the State; and
4 5	(2) meets or makes a good faith effort to meet any applicable OVERALL PERCENTAGE goal established under this subtitle.
6 7	(b) For procurements conducted by competitive sealed proposals, a unit shall award the contract to the responsible offeror:
8	(1) proposing the most advantageous offer; and
9	(2) that meets or makes a good faith effort to meet any applicable OVERALL PERCENTAGE goal established under this subtitle.
1	14–604.
12	The Governor's Office of Small, Minority, and Women Business Affairs shall:
13	(1) adopt regulations to implement this subtitle;
14 15	(2) establish procedures for tracking and reporting participation of veteran—owned small business enterprises under this subtitle; and
16 17	(3) on or before December 1 of each year, report to the Legislative Policy Committee on:
18 19 20 21	(i) the number and [amount] DOLLAR VALUE of contracts awarded to veteran—owned small business enterprises under this subtitle, INCLUDING THE TOTAL DOLLAR VALUE OF PAYMENTS MADE TO VETERAN—OWNED SMALL BUSINESS ENTERPRISES UNDER EXISTING CONTRACTS; and
22 23	(ii) AN EVALUATION OF the effectiveness of the program under this subtitle.
24	14-604.1.
25 26	(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.
27 28	(2) "ADVISORY COMMITTEE" MEANS THE ADVISORY COMMITTEE ON VETERAN-OWNED SMALL BUSINESS ENTERPRISES.

- 1 (3) "OFFICE" MEANS THE OFFICE OF SMALL, MINORITY, AND 2 WOMEN BUSINESS AFFAIRS.
- 3 (4) "SPECIAL SECRETARY" MEANS THE SPECIAL SECRETARY FOR 4 THE OFFICE.
- 5 (B) THE OFFICE SHALL ESTABLISH AN ADVISORY COMMITTEE ON 6 VETERAN-OWNED SMALL BUSINESS ENTERPRISES.
- 7 (C) THE SPECIAL SECRETARY SHALL BE CHAIR OF THE ADVISORY 8 COMMITTEE AND THE OFFICE SHALL PROVIDE STAFF SUPPORT.
- 9 (D) THE ADVISORY COMMITTEE CONSISTS OF INDIVIDUALS THAT THE
 10 SPECIAL SECRETARY CONSIDERS WILL ASSIST THE OFFICE IN STUDYING AND
 11 DEVELOPING POLICIES TO FURTHER THE PURPOSES OF THIS SUBTITLE, INCLUDING
 12 REPRESENTATIVES FROM:
- 13 (1) THE DEPARTMENT OF COMMERCE;
- 14 (2) THE DEPARTMENT OF GENERAL SERVICES;
- 15 (3) THE GOVERNOR'S OFFICE OF PERFORMANCE IMPROVEMENT;
- 16 (4) THE DEPARTMENT OF VETERANS AFFAIRS; AND
- 17 (5) CERTIFIED VETERAN-OWNED SMALL BUSINESS ENTERPRISES.
- 18 **(E)** THE ADVISORY COMMITTEE SHALL MEET AT LEAST TWO TIMES EACH 19 YEAR.
- 20 (F) THE ADVISORY COMMITTEE SHALL:
- 21 (1) REVIEW THE ANNUAL REPORT AND EVALUATION SUBMITTED TO
 22 THE LEGISLATIVE POLICY COMMITTEE IN ACCORDANCE WITH § 14–604 OF THIS
- 23 SUBTITLE TO:
- 24 (I) IDENTIFY ANY AREAS OF THE PROGRAM THAT NEED
- 25 IMPROVEMENT; AND
- 26 (II) RECOMMEND POSSIBLE ACTIONS THAT MAY ACHIEVE THE
- 27 NECESSARY IMPROVEMENTS; AND

1 2	(2) ENSURE THAT A CONTINUOUS OVERSIGHT AND IMPROVEMENT STRUCTURE EXISTS FOR THE PROGRAM.										
3	Article - State Government										
4	9–301.										
5	(a) In this subtitle the following words have the meanings indicated.										
6 7	(e) "Special Secretary" means the Special Secretary for the Office of Small Minority, and Women Business Affairs.										
8	9–304.										
9 10											
11	(1) advise the Governor on:										
12 13	(i) the activities of the State government that are intended to promote:										
14	1. the employment of minority persons in the State; and										
15 16 17 18	2. STATE CONTRACTING OPPORTUNITIES AVAILABLE TO AND THE ACCESSIBILITY OF THOSE CONTRACTING OPPORTUNITIES TO COMPANIES OWNED BY MINORITY PERSONS, SMALL BUSINESSES, AND VETERAN-OWNED SMALL BUSINESSES; AND										
19 20 21 22	(ii) each other matter that affects the rights and interests of minority persons, SMALL BUSINESSES, AND VETERAN-OWNED SMALL BUSINESSES and the communities in which they live, WORK, AND PROVIDE EMPLOYMENT OPPORTUNITIES TO OTHERS; and										
23	(2) as authorized by the Governor:										
24 25 26	(i) provide help to minority persons, SMALL BUSINESSES, AND VETERAN-OWNED SMALL BUSINESSES and the communities in which they live, WORK, AND EMPLOY OTHERS;										
27 28 29	(ii) represent the Governor in any matter that relates to minority persons, SMALL BUSINESSES, AND VETERAN-OWNED SMALL BUSINESSES or generally to the promotion of equality among the people of the State; and										

(iii)

perform any other responsibility that the Governor assigns.

SECTION October 1, 2021.	2.	AND	BE	IT	FURTHER	ENACTED,	That	this	Act	shall	take	effect
Approved:												
									G	overn	or.	_
						Speaker of	the H	ouse	of D	elegat	es.	
						I	Presid	ent o	f the	e Sena	te.	