
By: **Delegates Murray, Branch, Franchot, Gutierrez, Haynes, Hixson,
Hubbard, Madaleno, Marriott, Montgomery, Nathan-Pulliam, Oaks,
Paige, Parker, Stern, F. Turner, and Vaughn**

Introduced and read first time: February 6, 2006

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Procurement - Small Business Reserve Program - Contract Minimum**

3 FOR the purpose of establishing that only procurement contracts of at least a certain
4 amount are subject to the Small Business Reserve Program; providing for the
5 application of this Act; and generally relating to a minimum contract amount for
6 the Small Business Reserve Program.

7 BY repealing and reenacting, without amendments,
8 Article - State Finance and Procurement
9 Section 11-101(x) and 14-501(c)
10 Annotated Code of Maryland
11 (2001 Replacement Volume and 2005 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article - State Finance and Procurement
14 Section 14-502
15 Annotated Code of Maryland
16 (2001 Replacement Volume and 2005 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
18 MARYLAND, That the Laws of Maryland read as follows:

19 **Article - State Finance and Procurement**

20 11-101.

21 (x) (1) "Unit" means an officer or other entity that is in the Executive
22 Branch of the State government and is authorized by law to enter into a procurement
23 contract.

24 (2) "Unit" does not include:

1 (i) a bistate, multistate, bicounty, or multicounty governmental
2 agency; or

3 (ii) a special tax district, sanitary district, drainage district, soil
4 conservation district, water supply district, or other political subdivision of the State.

5 14-501.

6 (c) "Small business" means:

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

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

10 (i) the business is independently owned and operated;

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

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

13 (iv) the wholesale operations of the business did not employ more
14 than 50 persons, and the gross sales of the business did not exceed an average of
15 \$2,000,000 in its most recently completed 3 fiscal years;

16 (v) the retail operations of the business did not employ more than
17 25 persons, and the gross sales of the business did not exceed an average of
18 \$2,000,000 in its most recently completed 3 fiscal years;

19 (vi) the manufacturing operations of the business did not employ
20 more than 100 persons, and the gross sales of the business did not exceed an average
21 of \$2,000,000 in its most recently completed 3 fiscal years;

22 (vii) the service operations of the business did not employ more than
23 100 persons, and the gross sales of the business did not exceed an average of
24 \$2,000,000 in its most recently completed 3 fiscal years; and

25 (viii) the construction operations of the business did not employ more
26 than 50 persons, and the gross sales of the business did not exceed an average of
27 \$7,000,000 in its most recently completed 3 fiscal years.

28 14-502.

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

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

33 (c) A designated procurement unit shall structure its procurement procedures
34 to achieve a minimum of 10 percent of the unit's total dollar value of EACH

1 PROCUREMENT CONTRACT OF AT LEAST \$500,000 FOR goods, supplies, services,
2 maintenance, construction, construction-related services, architectural service, and
3 engineering service contracts to be made directly to small businesses.

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

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
8 construed to apply only prospectively and may not be applied or interpreted to have
9 any effect on or application to any procurement contract awarded before the effective
10 date of this Act.

11 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2006.