SENATE BILL 598

P2, P1 1lr2125 CF HB 790

By: Senator Smith Senators Smith and Carozza

Introduced and read first time: January 29, 2021

Assigned to: Education, Health, and Environmental Affairs

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 20, 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; 14 altering certain definitions; defining certain terms; and generally relating to the Office of Small, Minority, and Women Business Affairs and procurement 15 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

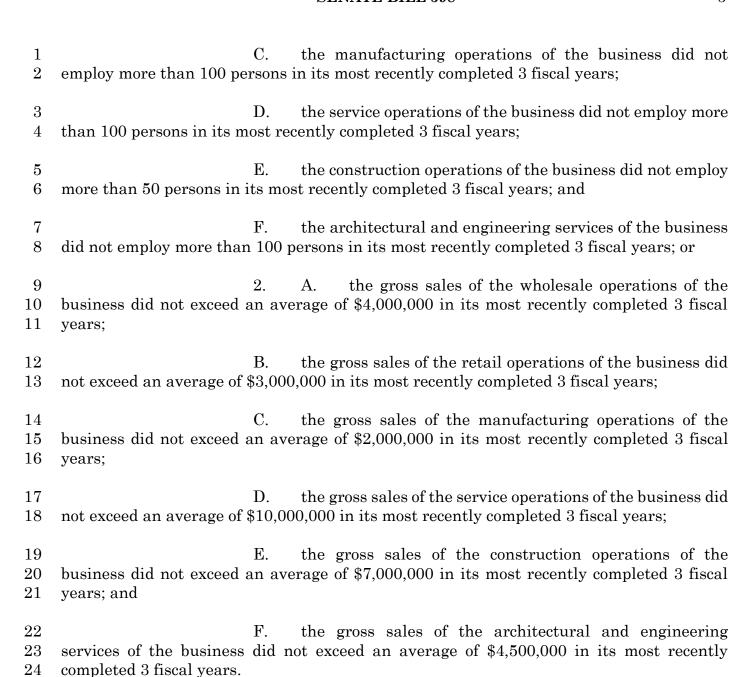
EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

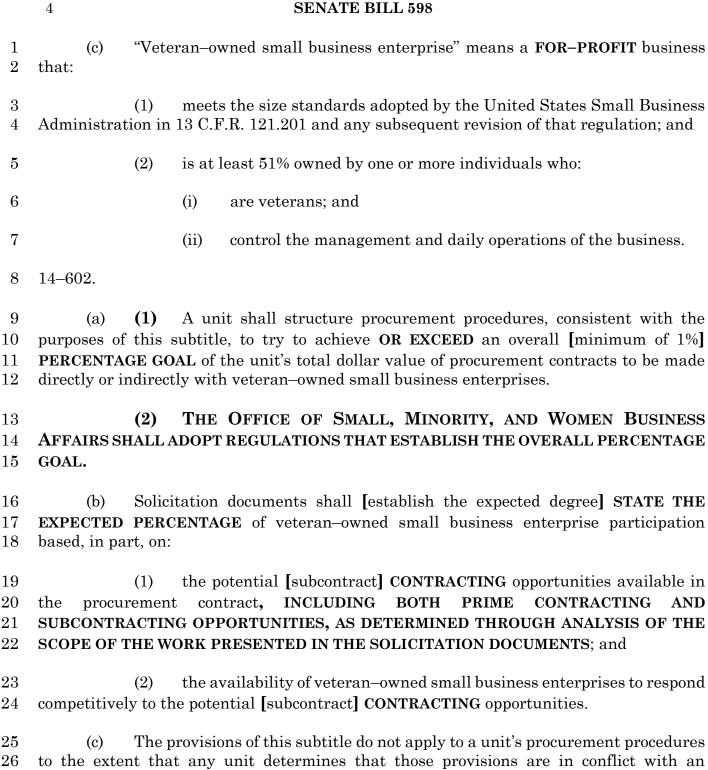
<u>Underlining</u> indicates amendments to bill.

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.
- 28 (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 Veterans Affairs] as having served on active duty in the armed forces of the United States, other than for training, and was discharged or released under conditions other than dishonorable.



28 14-603.

applicable federal program.

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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:

> (1) has the lowest bid price; (i)

- 1 (ii) has the lowest evaluated bid price; or 2 for procurements subject to § 11–202(3) of this article, is the bid (iii) 3 most favorable to the State; and 4 meets or makes a good faith effort to meet any applicable OVERALL 5 **PERCENTAGE** goal established under this subtitle. 6 For procurements conducted by competitive sealed proposals, a unit shall 7 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. 10 14-604. 11 12 The Governor's Office of Small, Minority, and Women Business Affairs shall: 13 (1) adopt regulations to implement this subtitle; 14 establish procedures for tracking and reporting participation of 15 veteran-owned small business enterprises under this subtitle; and 16 (3)on or before December 1 of each year, report to the Legislative Policy 17 Committee on: 18 the number and [amount] DOLLAR VALUE of contracts awarded to veteran-owned small business enterprises under this subtitle, INCLUDING THE TOTAL 19 20 DOLLAR VALUE OF PAYMENTS MADE TO VETERAN-OWNED SMALL BUSINESS 21ENTERPRISES UNDER EXISTING CONTRACTS; and 22 (ii) AN EVALUATION OF the effectiveness of the program under this 23subtitle. 14-604.1. 2425(A) **(1)** IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS 26 INDICATED. "ADVISORY COMMITTEE" MEANS THE ADVISORY COMMITTEE ON 27 **(2)** 28 VETERAN-OWNED SMALL BUSINESS ENTERPRISES.
- 29 (3) "OFFICE" MEANS THE OFFICE OF SMALL, MINORITY, AND 30 WOMEN BUSINESS AFFAIRS.

- 1 (4) "SPECIAL SECRETARY" MEANS THE SPECIAL SECRETARY FOR 2 THE OFFICE.

 3 (B) THE OFFICE SHALL ESTABLISH AN ADVISORY COMMITTEE ON 4 VETERAN-OWNED SMALL BUSINESS ENTERPRISES.

 5 (C) THE SPECIAL SECRETARY SHALL BE CHAIR OF THE ADVISORY
- 6 COMMITTEE AND THE OFFICE SHALL PROVIDE STAFF SUPPORT.

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

1 9-301. 2 In this subtitle the following words have the meanings indicated. (a) "Special Secretary" means the Special Secretary for the Office of Small, 3 4 Minority, and Women Business Affairs. 9-304. 5 Subject to the limitations of any law that governs the activities of other units of the 6 7 Executive Branch of the State government, the Special Secretary shall: 8 advise the Governor on: (1) 9 (i) the activities of the State government that are intended to 10 promote: 11 1. the employment of minority persons in the State; and 12 2. STATE CONTRACTING OPPORTUNITIES AVAILABLE TO 13 AND THE ACCESSIBILITY OF THOSE CONTRACTING OPPORTUNITIES TO COMPANIES OWNED BY MINORITY PERSONS, SMALL BUSINESSES, AND VETERAN-OWNED SMALL 14 15 **BUSINESSES; AND** 16 (ii) each other matter that affects the rights and interests of minority persons, SMALL BUSINESSES, AND VETERAN-OWNED SMALL BUSINESSES and the 17 18 communities in which they live, WORK, AND PROVIDE EMPLOYMENT OPPORTUNITIES 19 TO OTHERS; and 20 (2)as authorized by the Governor: 21(i) provide help to minority persons, SMALL BUSINESSES, AND 22 VETERAN-OWNED SMALL BUSINESSES and the communities in which they live, WORK, 23 AND EMPLOY OTHERS; 24 (ii) represent the Governor in any matter that relates to minority 25persons, SMALL BUSINESSES, AND VETERAN-OWNED SMALL BUSINESSES or generally 26 to the promotion of equality among the people of the State; and 27 perform any other responsibility that the Governor assigns. (iii) 28 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect 29 October 1, 2021.