

HOUSE BILL 376

F3, F4, L2

6lr1010

By: **Prince George's County Delegation**

Introduced and read first time: January 19, 2026

Assigned to: Government, Labor, and Elections

A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County – Procurement Preference Programs – Regulation**

3 **PG 404–26**

4 FOR the purpose of authorizing the governing body of Prince George's County to enact a
5 local law to regulate certain procurement activities of the Prince George's County
6 public school system and Prince George's Community College; requiring certain
7 procurement preference programs for procurements made by the Prince George's
8 County Board of Education or the Board of Community College Trustees for Prince
9 George's County to be subject to certain requirements adopted by the governing body
10 of Prince George's County; and generally relating to procurements by the Prince
11 George's County Board of Education and the Board of Community College Trustees
12 for Prince George's County.

13 BY repealing and reenacting, with amendments,
14 Article – Education
15 Section 4–125 and 4–125.1
16 Annotated Code of Maryland
17 (2025 Replacement Volume and 2025 Supplement)

18 BY adding to
19 Article – Education
20 Section 4–125.2
21 Annotated Code of Maryland
22 (2025 Replacement Volume and 2025 Supplement)

23 BY repealing and reenacting, with amendments,
24 Article – Education
25 Section 16–311
26 Annotated Code of Maryland
27 (2022 Replacement Volume and 2025 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

Article – Education

4–125.

(a) (1) In this section the following words have the meanings indicated.

(2) “Bonus points” means established bonus or percentage points used during the bid evaluation process to adjust the bid price submitted by minority business enterprises for the purpose of ascertaining the lowest bidder.

(3) “Mandatory set-asides” means a procedure designating a certain percentage of total contract dollars for award to minority business enterprises.

(4) “Mandatory subcontracting” means a procedure mandating that a certain percentage of the dollar amount of designated contracts be subcontracted to minority business enterprises.

(5) “Minority business enterprise” means any business enterprise:

(i) 1. That is at least 51 percent owned by one or more minority individuals; or

2. In the case of any publicly owned corporation, at least 51 percent of the stock of which is owned by one or more minority individuals; and

(ii) Whose management and daily business operations are controlled by one or more minority individuals.

(6) “Percentage points” means established percentage points given for minority business enterprise participation in a sealed proposal process.

(7) “Restrictive bidding” means competitive bidding of designated contracts that are restricted to minority business enterprises.

(8) “Restrictive price quotations” means negotiated small procurements that are restricted to minority business enterprises.

(b) The Board of Education of Prince George’s County shall undertake and complete an internal and market fact-finding process by January 1, 1990, to assess the appropriate scope of a minority business enterprise program for the board. The results of the fact-finding process, including statistical data, supporting documentation, and reports, shall be reported to the Prince George’s County Delegation of the General Assembly by January 31, 1990.

1 (c) (1) (I) If the fact-finding required by subsection (b) of this section
2 demonstrates a compelling governmental interest to adopt a remedial minority business
3 enterprise program, the county board, by resolution and by implementing rules and
4 regulations, shall establish a minority business enterprise program to facilitate the
5 participation of certified minority business enterprises in contracts awarded by the county
6 board.

7 (II) The program shall include specific goals and the definition of
8 “minority individual”.

9 (2) ANY PROGRAM ADOPTED UNDER PARAGRAPH (1) OF THIS
10 SUBSECTION SHALL BE SUBJECT TO THE REQUIREMENTS OF § 4-125.2 OF THIS
11 SUBTITLE.

12 (d) In establishing a minority business enterprise program, the county board is
13 authorized to use incentives to achieve the designated goals of the program, including but
14 not limited to:

15 (1) Mandatory set-aside procedures;

16 (2) Mandatory subcontracting procedures with reasonable waiver
17 provisions;

18 (3) The application of bonus points;

19 (4) The application of percentage points;

20 (5) Restrictive bidding;

21 (6) Restrictive price quotations;

22 (7) The reduction or waiver of bonding requirements; and

23 (8) Incentives to encourage maximum participation by:

24 (i) Small businesses;

25 (ii) A variety of different businesses; and

26 (iii) Businesses located within Prince George’s County.

27 (e) (1) The county board may appoint a minority business enterprise officer to
28 administer any minority business enterprise program established, who shall submit
29 reports to the board.

(2) It is the responsibility of the minority business enterprise officer to conduct outreach programs to assist the minority business enterprise community in participating in any minority business enterprise program established under this section.

(f) The county board shall advise the Prince George's County Delegation of the General Assembly regarding the substance of any minority business enterprise program that it establishes.

(g) (1) The program shall be evaluated every 2 years.

(2) The results of any evaluation under this subsection shall be submitted to the Prince George's County Delegation of the General Assembly.

4-125.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Certified county-based business participation" has the meaning stated in § 10A-101 of the Code of Public Local Laws of Prince George's County.

(3) "Certified county-based minority business participation" has the meaning stated in § 10A-101 of the Code of Public Local Laws of Prince George's County.

(4) "County-based business" has the meaning stated in § 10A-101 of the Code of Public Local Laws of Prince George's County.

(5) "County-based minority business enterprise" has the meaning stated in § 10A-101 of the Code of Public Local Laws of Prince George's County.

(6) "County-based small business" has the meaning stated in § 10A-101 of the Code of Public Local Laws of Prince George's County.

(7) "County board" means the Prince George's County Board of Education.

(8) (i) "Procurement" means the process of buying, leasing, lease-purchasing, or otherwise obtaining supplies, services, or construction.

(ii) "Procurement" includes all functions that relate to the process of obtaining supplies, services, or construction, including:

1. Description of requirements;
2. Selection and solicitation of sources; and
3. Preparation, award, and execution of a contract.

(9) “Program” means the Certified County–Based Business Participation Program that may be established under this section.

(b) This section applies only in Prince George’s County.

(c) **[The] SUBJECT TO THE REQUIREMENTS OF § 4–125.2 OF THIS SUBTITLE,** THE county board, after consultation with the County Superintendent, may establish and implement a Certified County–Based Business Participation Program to be used in county board procurement.

(d) If the county board exercises the authority granted in subsection (c) of this section, the county board and the County Superintendent shall:

(1) Consult with the Prince George’s County Council, or its agencies or agents, on the establishment and implementation of the Program; and

(2) Establish goals and requirements for the Program that may include:

(i) Minimum percentages for certified county–based business participation;

(ii) Utilization of county–based small businesses;

(iii) Minimum goals and incentives for maximizing certified county–based minority business participation; and

(iv) The goals established under § 4–125(d) of this subtitle.

(e) To achieve the designated goals of the Program, the county board and the County Superintendent may use incentives and bonuses, including:

(1) Mandatory set–aside procedures;

(2) Mandatory subcontracting procedures with reasonable waiver provisions;

(3) The application of bonus points;

(4) The application of percentage points;

(5) Restrictive bidding;

(6) Restrictive price quotations;

(7) The reduction or waiver of bonding requirements; and

(8) Incentives to encourage maximum participation by:

(i) Certified county-based small businesses; and

(ii) A variety of different certified county-based businesses.

(f) If the county board exercises the authority granted in subsection (c) of this section, the county board and the county council shall enter into a binding memorandum of understanding outlining the county board's goals and commitment to implementing the Program.

(g) On or before December 1, 2015, and each year thereafter, the county board, after consultation with the County Superintendent, shall submit a report to the Prince George's County delegations to the House of Delegates and Senate of Maryland, the Prince George's County Council, and the Prince George's County Executive, in accordance with § 2-1257 of the State Government Article, that specifies:

(1) The respective percentages and dollar amounts of certified county-based business participation, certified county-based minority business participation, and certified county-based small business participation in county board procurement for the previous fiscal year; and

(2) The efforts by the county board and the County Superintendent in the previous fiscal year to encourage greater certified county-based business participation, certified county-based minority business participation, and certified county-based small business participation in county board procurement.

4-125.2.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "COUNTY-BASED BUSINESS" HAS THE MEANING STATED IN § 10A-101 OF THE CODE OF PUBLIC LOCAL LAWS OF PRINCE GEORGE'S COUNTY.

(3) "COUNTY-BASED MINORITY BUSINESS ENTERPRISE" HAS THE MEANING STATED IN § 10A-101 OF THE CODE OF PUBLIC LOCAL LAWS OF PRINCE GEORGE'S COUNTY.

(4) "COUNTY-BASED SMALL BUSINESS" HAS THE MEANING STATED IN § 10A-101 OF THE CODE OF PUBLIC LOCAL LAWS OF PRINCE GEORGE'S COUNTY.

(5) "COUNTY BOARD" MEANS THE PRINCE GEORGE'S COUNTY BOARD OF EDUCATION.

1 **(6) “COUNTY RESIDENT” HAS THE MEANING STATED IN § 10A-101 OF**
2 **THE CODE OF PUBLIC LOCAL LAWS OF PRINCE GEORGE’S COUNTY.**

3 **(7) “ECONOMICALLY DISADVANTAGED INDIVIDUAL” MEANS AN**
4 **INDIVIDUAL WHOSE ABILITY TO COMPETE IN THE FREE ENTERPRISE SYSTEM HAS**
5 **BEEN IMPAIRED DUE TO DIMINISHED CAPITAL AND CREDIT OPPORTUNITIES AS**
6 **COMPARED TO OTHERS IN THE SAME OR SIMILAR LINE OF BUSINESS.**

7 **(8) “LOCALLY OWNED AND OPERATED BUSINESS” HAS THE MEANING**
8 **STATED IN § 10-335 OF THE CODE OF PUBLIC LOCAL LAWS OF PRINCE GEORGE’S**
9 **COUNTY.**

10 **(9) “PARTICIPATION” MEANS THE PERCENTAGE OF TOTAL**
11 **CONTRACT OR PROCUREMENT DOLLARS PAID TO ONE OR MORE ENTITIES.**

12 **(10) “PROCUREMENT” HAS THE MEANING STATED IN § 4-125.1 OF**
13 **THIS SUBTITLE.**

14 **(B) THIS SECTION APPLIES ONLY IN PRINCE GEORGE’S COUNTY.**

15 **(C) (1) THE GOVERNING BODY OF PRINCE GEORGE’S COUNTY MAY**
16 **ENACT A LOCAL LAW TO REGULATE THE PROCUREMENT ACTIVITIES OF THE PRINCE**
17 **GEORGE’S COUNTY PUBLIC SCHOOL SYSTEM OR PRINCE GEORGE’S COMMUNITY**
18 **COLLEGE RELATED TO:**

19 **(I) PROCUREMENT PARTICIPATION REQUIREMENTS OR GOALS**
20 **FOR PRIME CONTRACTING AND SUBCONTRACTING FOR THE UTILIZATION OF**
21 **COUNTY-BASED BUSINESSES, COUNTY-BASED MINORITY BUSINESS ENTERPRISES,**
22 **COUNTY-BASED SMALL BUSINESSES, OR LOCALLY OWNED AND OPERATED**
23 **BUSINESSES;**

24 **(II) PROCUREMENT INCENTIVES FOR THE UTILIZATION OF**
25 **COUNTY-BASED BUSINESSES, COUNTY-BASED MINORITY BUSINESS ENTERPRISES,**
26 **COUNTY-BASED SMALL BUSINESSES, OR LOCALLY OWNED AND OPERATED**
27 **BUSINESSES, INCLUDING BID BONUSES, DISCOUNTS, AND INCENTIVE PAYMENTS;**

28 **(III) PROCUREMENT PERCENTAGE REQUIREMENTS OR GOALS**
29 **FOR WORK HOURS TO BE WORKED BY COUNTY RESIDENTS OR ECONOMICALLY**
30 **DISADVANTAGED INDIVIDUALS; AND**

31 **(IV) WAIVERS AND EXCEPTIONS TO THE REQUIREMENTS**
32 **ENACTED IN ACCORDANCE WITH THIS SUBSECTION.**

(2) THE COUNTY BOARD AND THE BOARD OF COMMUNITY COLLEGE TRUSTEES FOR PRINCE GEORGE’S COUNTY SHALL COMPLY WITH ANY LOCAL LAWS ENACTED BY THE GOVERNING BODY OF PRINCE GEORGE’S COUNTY IN ACCORDANCE WITH THIS SECTION.

16–311.

(a) (1) Except as provided in paragraph (2) of this subsection, this section applies to every contract for any building, improvement, equipment, or supplies.

(2) This section does not apply to:

(i) The purchase of books or other materials for instruction;

(ii) Emergency repairs;

(iii) Any contract or purchase made by a county for a community college under procedures authorized by the county charter or an act of the General Assembly; or

(iv) Any contract or purchase that qualifies as a “small procurement” as defined in the State Procurement Regulations.

(b) At the discretion of the procurement officer, the following procurement methods are authorized where applicable:

(1) Competitive sealed bids under subsection (c) of this section;

(2) Competitive sealed proposals under § 16–313 of this subtitle;

(3) Sole source procurement under § 16–314 of this subtitle; or

(4) Noncompetitive negotiation under § 16–314.1 of this subtitle.

(c) (1) The board of trustees may provide for procurement by competitive sealed bids in accordance with this subsection.

(2) (i) Whenever procurement is based on competitive sealed bids, the board of trustees, or its designee, shall seek bids by issuing an invitation for bids.

(ii) The board of trustees, at least 2 weeks before bids are to be filed, shall advertise for bids in at least one newspaper published in the county or in eMaryland Marketplace, in accordance with Title 17, Subtitle 5 of the State Finance and Procurement Article.

1 (iii) The board of trustees may name in the specifications and
2 advertisements for bids the particular make, kind, or brand of article to be contracted for
3 or purchased.

4 (3) The board of trustees of each community college may provide for the
5 prequalification of persons as prospective responsible bidders for procurements other than
6 leases of real property.

7 (4) If a board of trustees uses a prequalification procedure for awarding a
8 procurement contract:

9 (i) A person who is not prequalified may submit a bid or proposal;
10 and

11 (ii) After bid opening or receipt of proposals and before awarding the
12 procurement contract, a procurement officer may determine that:

13 1. A person who was not prequalified at the time of bid
14 opening or receipt of proposals is a responsible bidder; or

15 2. A prequalified person is not a responsible bidder.

16 (5) Except as provided in paragraph (7) of this subsection, the contract
17 shall be awarded to the lowest responsible bidder, who conforms to the specifications, with
18 consideration given to:

19 (i) The quantities involved;

20 (ii) The time required for delivery;

21 (iii) The purpose for which required;

22 (iv) The competence and responsibility of the bidder; and

23 (v) The ability of the bidder to perform the contract satisfactorily.

24 (6) The board of trustees may reject any and all bids and readvertise for
25 other bids.

26 (7) (i) In this paragraph, the term “minority business enterprise” has
27 the meaning stated in § 14–301 of the State Finance and Procurement Article.

28 (ii) In Montgomery County, by resolution and by implementing rules
29 and regulations, the Board of Trustees of Montgomery Community College shall establish
30 a mandatory minority business utilization program to facilitate the participation of
31 responsible certified minority business enterprises in contracts awarded by the Board of

1 Trustees of Montgomery Community College in accordance with competitive bidding
2 requirements.

3 **(8) IN PRINCE GEORGE’S COUNTY, THE BOARD OF COMMUNITY**
4 **COLLEGE TRUSTEES FOR PRINCE GEORGE’S COUNTY MAY ESTABLISH A PROGRAM**
5 **IN ACCORDANCE WITH § 4-125.2 OF THIS ARTICLE TO FACILITATE THE**
6 **PARTICIPATION OF CERTAIN BUSINESS ENTERPRISES IN CONTRACTS AWARDED BY**
7 **THE BOARD OF COMMUNITY COLLEGE TRUSTEES FOR PRINCE GEORGE’S COUNTY**
8 **IN ACCORDANCE WITH COMPETITIVE BIDDING REQUIREMENTS.**

9 (d) A contract entered into or purchase made in violation of this section is void.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2026.