

Larry Hogan
Governor

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Lt Governor



OFFICE OF THE SECRETARY

Ellington E. Churchill, Jr.
Secretary

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Deputy Secretary

BILL: **Senate Bill 598**
Procurement – Office of Small, Minority, and Women Business Affairs –
Small Business Reserve Program and Veteran–Owned Small Business
Enterprise Program

COMMITTEE: Senate Education, Health and Environmental Affairs

DATE: February 17, 2021

POSITION: Support

Senate Bill 598 is the outcome of recommendations from the Veteran-owned Small Business Enterprise (VSBE) Study Work Group as requested by the Chairs of the Senate Finance and House Health and Government Operations Committees. The Department of General Services (DGS) was directed to form a work group whose mandate was to undertake a study and review of various aspects of the VSBE Program and to prepare a report with recommendations for improvement.

Senate Bill 598 provides for changes to the State Finance and Procurement Article and are the result of the VSBE Study Work Group Report:

- Senate Bill 598 adds VSBEs to the definition of Small Business under State Finance & Procurement Article § 14-501 and requires that solicitation documents include goals for both **prime** contracting **and subcontracting** opportunities.
- Senate Bill 598 requires the Governor’s Office of Small, Minority and Women Business Affairs (GOSBA) to establish the percentage goal for small business participation. This change provides greater flexibility in increasing VSBE participation.
- An advisory committee would work with GOSBA and members from the vendor community to review and evaluate the effectiveness of the program and make recommendations on improvement. This committee includes members that are also members of the Procurement Improvement Council (PIC). This will ensure that any procurement issues are brought to the PIC for further discussions and implementation of changes to policies, procedures, best practices, and training, as needed.
- **Senate Bill 598 will positively affect small businesses by providing more opportunities to not only veteran-owned small businesses, but all small businesses through prime contracting opportunities beyond just subcontracting.**

The Department of General Services requests a favorable report for Senate Bill 598, for additional information contact Ellen Robertson, DGS Legislative Liaison, at 410-260-2908.

