

**BILL:** **House Bill 850**  
State Procurement - Small Business Preference Procurement

**COMMITTEE:** Budget and Taxation

**DATE:** March 26, 2024

**POSITION:** **Support**

Upon review of House Bill 850 - State Procurement - Small Business Preference Procurement, the Maryland Department of General Services (DGS) provides these comments for your consideration.

The proposed legislation will:

- establish a price preference for small businesses;
- designate the Board of Public Works as the regulatory authority for the Small Business Preference Program;
- specifies the manner in which a unit may achieve targets for procurement awards to small businesses; and
- adds all units of the Executive Branch of State government.

House Bill 850 will allow DGS to achieve its objectives by counting both contracts awarded through the Small Business Preference Program and the Small Business Reserve (SBR) Program into the Small Business Reserve 15% achievement goal and increasing participation.

Maryland created the SBR Program in 2004 to provide small businesses the opportunity to participate as prime contractors by competing against other small businesses instead of larger, more established, companies. SBR requires most State agencies to structure their procurements so that at least 15% of the total dollar value of their procurements is made directly to small businesses.

The Small Business Preference Program allows certified small businesses to enjoy a price preference over non-certified small businesses competing for the same contract award on designated procurements.

DGS supports this House Bill 850 and welcomes a favorable report.

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