AN ACT to:
   (1) define a direct purchase;
   (2) alter the definition of a local small business to permit the participation of non-profit organizations;
   (3) increase the minimum percentage of contracts that must be awarded to small businesses;
   (4) establish a goal to award certain direct purchases to local small businesses;
   (5) alter reporting requirements; and
   (6) generally amend the Local Small Business Reserve Program.

By amending
Montgomery County Code
Chapter 11B, Contracts and Procurement
Sections 11B-65, 11B-66, and 11B-69
Sec. 1. Sections 11B-65, 11B-66, and 11B-69 are amended as follows:

11B-65. Definitions.

In this Article the following words have the meanings indicated.

[[(a)]] Direct purchase means [[a non-competitive procurement of construction, goods, or services with a total value of no more than:

(1) $10,000; or
(2) a higher dollar amount adopted under method 2 regulations]] an informal solicitation defined by regulation under Section 11B-13.

[[(a)]] [[(b)]] Local Small Business means a for-profit business[,] or non-profit entity, other than a broker, that:

(1) has its principal place of business or non-profit operations in the County;
(2) in the case of a for-profit business, is independently owned and operated;
(3) is not a subsidiary of another business or entity; and
(4) meets criteria, size limits, and gross sales amounts established by method 2 regulations.

[[(b)]] [[(c)]] Local Small Business Reserve means any procurement that is limited to responses from local small businesses.

* * *

11B-66. Local Small Business Reserve Program.

* * *

(b) Minimum Requirements.

(1) [[A]] Subject to Method 2 regulations, a using department’s procurement procedures must award a minimum of [20] 25 percent of the using department’s combined dollar value of contracts issued for goods, services, or construction, including direct
purchases, to local small businesses[, subject to method 2 regulations]]).

(2) **A using department must have a goal to award at least 50 percent of the combined dollar value of its direct purchases to local small businesses.**

* * *

**11B-69. Reports.**

(a) By October 30 each year, each using department must submit to the Director a report on the number, type, and dollar amount of contracts, including direct purchases, issued under this Article.

(b) By November 30 each year, the Director must report to the Council on the Local Small Business Reserve Program. This report must include the number, type, and dollar amount of contracts, including direct purchases, awarded under this Article during the preceding fiscal year, the number, type, and dollar amount of each waiver, information about how these numbers have changed from the preceding fiscal year, and the extent of outreach efforts.
Approved:

Sidney Katz, President, County Council

Approved:

Marc Elrich, County Executive

This is a correct copy of Council action.

Selena Mendy Singleton, Esq., Clerk of the Council