CITY OF BALTIMORE COUNCIL BILL 07-0573 (First Reader)

Introduced by: Councilmembers Young, Kraft, Curran, Branch, Clarke, Harris, D'Adamo, Conaway, Holton, Welch

Introduced and read first time: January 22, 2007 Assigned to: Taxation and Finance Committee

REFERRED TO THE FOLLOWING AGENCIES: City Solicitor, Department of Finance, Minority and

Womens' Business Opportunity Office

A BILL ENTITLED

1	An Ordinance concerning
2	Local Business Enterprises
3	FOR the purpose of establishing a local business opportunity program; providing for the
4	certification of local businesses that meet certain criteria; granting certain procurement
5	preferences to certified local businesses; defining certain terms; prohibiting certain conduct;
6	and generally relating local business enterprises.
7	By adding
8	Article 5 - Finance, Property, and Procurement
9	Section(s) 27-1 through 27-32, to be under the new subtitle designation,
10	"Subtitle 27. Local Business Enterprises"
11	Baltimore City Code
12	(Edition 2000)
13	SECTION 1. BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF BALTIMORE, That th
14	Laws of Baltimore City read as follows:
15	Baltimore City Code
16	Article 5. Finance, Property, and Procurement
17	SUBTITLE 27. LOCAL BUSINESS ENTERPRISES
18	PART I. DEFINITIONS; GENERAL PROVISIONS
19	§ 27-1. DEFINITIONS.
20	(A) IN GENERAL.
21	In this subtitle, the following terms have the meanings indicated unless the
22	CONTEXT CLEARLY REQUIRES A DIFFERENT MEANING.

1	(B) Business enterprise.
2 3 4 5	"Business enterprise" means a corporation, limited liability company, partnership, individual, sole proprietorship, joint stock company, joint venture, professional association, or any other legal entity operated for profit that is properly licensed and otherwise authorized to do business in
6	THE CITY OF BALTIMORE.
7	(c) Chief.
8 9	"Chief" means the Chief of the Minority and Women's Business Opportunity Office or the Chief's designee.
10	(d) Includes; including.
11 12	"Includes" or "including" means by way of illustration and not by way of limitation.
13	(E) LOCAL BUSINESS ENTERPRISE; LBE.
14 15	"Local Business Enterprise" or "LBE" means a business enterprise that is certified as a Local Business Enterprise under Part II of this subtitle.
16	(F) Office.
17	"Office" means the Minority and Women's Business Opportunity Office.
18 19	§ 27-2. Scope of subtitle.
20 21	This subtitle applies to every contract for goods or services awarded by or on behalf of the City that involves an expenditure of $\$25,000$ or more.
22	§ 27-3. Rules of construction.
23	(A) LIBERAL CONSTRUCTION.
24 25	THE PROVISIONS OF THIS SUBTITLE ARE TO BE LIBERALLY CONSTRUED TO ACCOMPLISH ITS POLICIES AND PURPOSES.
26	(B) Mandatory, prohibitory, and permissive terms.
27	(1) Mandatory terms.
28 29	"Must" and "shall" are each mandatory terms used to express a requirement or to impose a duty.
30	(2) Prohibitory terms.
31 32	"Must not", "may not", and "no may" are each mandatory negative terms used to establish a prohibition.

1	(3) Permissive terms.
2	"May" is permissive.
3	(c) Number.
4	THE SINGULAR INCLUDES THE PLURAL AND VICE VERSA.
5	(d) Severability.
6	(1) All provisions of this subtitle are severable.
7 8 9 10 11	(2) If a court determines that a word, phrase, clause, sentence, paragraph, subsection, section, or other provision is invalid or that the application of any part of the provision to any person or circumstances is invalid, the remaining provisions and the application of those provisions to other persons or circumstances remain in full force and effect to the maximum extent practicable.
13	(E) Time computations.
14	(1) Computation of time after an act, event, or default.
15 16 17	(I) IN COMPUTING ANY PERIOD OF TIME PRESCRIBED BY THIS SUBTITLE, THE DAY OF THE ACT, EVENT, OR DEFAULT AFTER WHICH THE DESIGNATED PERIOD OF TIME BEGINS TO RUN IS NOT INCLUDED.
18 19	(II) IF THE PERIOD OF TIME ALLOWED IS MORE THAN 7 DAYS, INTERMEDIATE SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS ARE COUNTED.
20 21	(III) IF THE PERIOD OF TIME ALLOWED IS 7 DAYS OR LESS, INTERMEDIATE SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS ARE NOT COUNTED.
22 23 24 25	(IV) THE LAST DAY OF THE PERIOD SO COMPUTED IS INCLUDED UNLESS IT IS A SATURDAY, SUNDAY, OR LEGAL HOLIDAY, IN WHICH EVENT THE PERIOD RUNS UNTIL THE END OF THE NEXT DAY THAT IS NOT A SATURDAY, SUNDAY, OR LEGAL HOLIDAY.
26	(2) Computation of time before a day, act, or event.
27 28 29 30 31	(I) IN DETERMINING THE LATEST DAY FOR PERFORMING AN ACT THAT IS REQUIRED BY THIS SUBTITLE TO BE PERFORMED A PRESCRIBED NUMBER OF DAYS BEFORE A CERTAIN DAY, ACT, OR EVENT, ALL DAYS PRECEDING THAT DAY, INCLUDING INTERVENING SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS, ARE COUNTED IN THE NUMBER OF DAYS SO PRESCRIBED.
32 33 34	(II) THE LATEST DAY IS INCLUDED IN THE DETERMINATION UNLESS IT IS A SATURDAY, SUNDAY, OR LEGAL HOLIDAY, IN WHICH EVENT THE LATEST DAY IS THE FIRST PRECEDING DAY THAT IS NOT A SATURDAY, SUNDAY, OR LEGAL HOLIDAY.

1	§ 27-4. Board of Estimates' authority.
2	(A) AUTHORITY OF BOARD NOT ABROGATED.
3 4	Nothing in this subtitle abrogates the authority of the Board of Estimates to award contracts under Article VI, \S 11 of the City Charter.
5	(B) Board may waive minor defects.
6 7	At its discretion, the Board of Estimates may waive minor defects and errors in a bidder's submission.
8	§ 27-5. Rules and regulations.
9	(A) IN GENERAL.
10	THE CHIEF MAY ADOPT RULES AND REGULATIONS TO CARRY OUT THIS SUBTITLE.
11	(B) FILING WITH LEGISLATIVE REFERENCE.
12 13	A copy of all rules and regulations must be filed with the Department of Legislative Reference before they take effect.
14	§ 27-6. SHORT TITLE.
15	This subtitle may be cited as the "Local Business Enterprises Program".
16	§§ 27-7 to 27-10. {RESERVED}
17	PART II. CERTIFICATION CRITERIA
18	§ 27-11. In general.
19	THE OFFICE MUST CERTIFY AS AN LBE ANY BUSINESS ENTERPRISE THAT:
20	(1) MEETS ALL OF THE CRITERIA SET FORTH IN THIS PART II; AND
21 22	(2) OTHERWISE COMPORTS WITH THE PROCEDURES AND OTHER REQUIREMENTS IN THE RULES OR REGULATIONS ADOPTED UNDER THIS SUBTITLE.
23	§ 27-12. Business in City – General.
24	(A) Scope.
25	This section does not apply to suppliers.
26	(b) General.
27 28	(1) The business must maintain its principal place of business within Baltimore City.

1	(2) For this purpose, the business must demonstrate that:
2 3	(I) THE MAJORITY OF ITS PRINCIPALS ARE BASED AT THAT PLACE OF BUSINESS; AND
4	(II) IT PAYS CITY PAYROLL TAXES ON AT LEAST 51% OF ITS TOTAL PAYROLL.
5	(c) Fixed office.
6	(1) THE PRINCIPAL PLACE OF BUSINESS MUST BE IN A FIXED OFFICE THAT PROVIDES ALL OF
7	THE SERVICES FOR WHICH LBE CERTIFICATION IS SOUGHT, OTHER THAN WORK
8	REQUIRED TO BE PERFORMED AT A JOB SITE.
9	(2) (I) An office is a "fixed office" if it is a place, including a qualified home
10	OFFICE, AT WHICH BUSINESS OF THE TYPE FOR WHICH CERTIFICATION IS SOUGHT IS
11	CONDUCTED ON A REGULAR BASIS.
12	(II) A RESIDENCE QUALIFIES AS AN OFFICE ONLY IF:
13	(A) NONE OF THE PERSONS WHO OWN OR CONTROL THE BUSINESS ALSO
14	MAINTAINS ELSEWHERE ANOTHER OFFICE IN THE SAME OR RELATED FIELD;
15	AND
16	(B) THE PERSONS WHO OWN OR CONTROL THE BUSINESS CLAIMED A BUSINESS
17	DEDUCTION ON THE PRIOR YEAR'S INCOME TAX RETURN OR, FOR
18	BUSINESSES STARTED AFTER THE LAST TAX RETURN, WOULD QUALIFY FOR
19	A DEDUCTION ON THE NEXT TAX RETURN.
20	(III) None of the following constitutes an office for these purposes:
21	(A) A POST OFFICE BOX;
22	(B) A TEMPORARY LOCATION;
23	(C) A MOVABLE PROPERTY;
24 25	(D) A LOCATION THAT WAS ESTABLISHED TO OVERSEE A PROJECT, SUCH AS A CONSTRUCTION PROJECT OFFICE; OR
26 27	(E) WORK SPACE PROVIDED IN EXCHANGE FOR SERVICES, AS OPPOSED TO MONEY.
28	§ 27-13. Business in City – Suppliers.
29	(a) General.
30	A SUPPLIER:
31	(1) NEED NOT MAINTAIN ITS PRINCIPAL PLACE OF BUSINESS IN THE CITY, BUT
32	(2) MUST MAINTAIN IN THE CITY:

1 2	(i) a fixed office that meets the requirements of \S 27-13(c) of this subtitle; and
3 4	(II) A WAREHOUSE THAT IS CONTINUOUSLY STOCKED WITH INVENTORY CONSISTENT WITH ITS CERTIFICATION.
5	(B) TRUCKERS.
6	Truckers must park their registered vehicles and trailers within the City.
7	§ 27-14. Independence.
8 9	The business must financially and operationally independent from, and operate at arm's length to, any other business.
10	§ 27-15. Ownership.
11	(A) U.S. RESIDENCY.
12 13	The business must be owned and controlled by individuals who reside in the United States or its territories.
14	(B) NO CITY EMPLOYEE.
15 16	The business may be not owned or controlled, in whole or in part, by a full-time City employee.
17	§ 27-16. Continuous operation.
18	THE BUSINESS MUST BE CONTINUOUSLY IN OPERATION.
19	§ 27-17. MAXIMUM SIZE OF OPERATIONS.
20 21	The business' average gross annual sales for the preceding 3 years may not exceed the following:
22	(i) for construction services, \$14,000,000;
23	(II) FOR GOODS, MATERIALS, EQUIPMENT, AND GENERAL SERVICES, \$7,000,000;
24	(III) FOR TRUCKING SERVICES, \$3,500,000; AND
25 26	(iv) for architectural, engineering, and other professional services, \$2,500,000.

1	§ 27-18. Commercially useful function.
2	(A) DEFINED.
3	In this section:
4	(1) "COMMERCIALLY USEFUL FUNCTION" MEANS THAT THE BUSINESS IS DIRECTLY
5	RESPONSIBLE FOR PROVIDING THE MATERIALS, EQUIPMENT, SUPPLIES, OR SERVICES
6	REQUIRED BY THE SOLICITATION OR REQUEST FOR QUOTES, BIDS, OR PROPOSALS.
7	(2) "COMMERCIALLY USEFUL FUNCTION" DOES NOT APPLY THE BUSINESS OF
8	PROVIDING BROKERAGE, REFERRAL, OR TEMPORARY EMPLOYMENT SERVICES
9	UNLESS THE BROKERAGE, REFERRAL, OR TEMPORARY EMPLOYMENT SERVICES ARE
10	THOSE REQUIRED AND SOUGHT BY THE CITY.
11	(B) REQUIRED.
12	THE BUSINESS MUST PERFORM A COMMERCIALLY USEFUL FUNCTION.
13	§ 27-19. LICENSES AND CERTIFICATIONS.
14	The business must have all required licenses or other relevant trade or
15	PROFESSIONAL CERTIFICATIONS OR, WHERE THESE ARE NOT REQUIRED, RELEVANT TRAINING
16	AND EXPERIENCE APPROPRIATE FOR THE TYPE OF BUSINESS FOR WHICH CERTIFICATION IS
17	SOUGHT.
18	§ 27-20. Pre-certification track record.
19	The business must have been located in and doing business in the City, in
20	ACCORDANCE WITH THE CRITERIA SET FORTH IN THIS PART II, FOR AT LEAST 12 MONTHS
21	PRECEDING THE APPLICATION FOR CERTIFICATION.
22	PART III. CERTIFICATION ADMINISTRATION
23	§ 27-21. CERTIFICATION INVESTIGATIONS.
24	(A) IN GENERAL.
25	The Office may investigate a business enterprise's ownership, management,
26	QUALIFICATIONS, AND OTHER RELEVANT MATTERS BEYOND FORMAL DOCUMENTATION:
27	(1) BEFORE THE INITIAL CERTIFICATION; AND
28	(2) DURING CERTIFICATION OR RECERTIFICATION.
29	(B) Scope.
30	To the extent reasonably necessary to ensure compliance, these
3 1	INVESTIGATIONS MAY INCLUDE, BUT ARE NOT LIMITED TO:

1 2 3	(1) PERSONAL INTERVIEWS WITH PERSONS HAVING KNOWLEDGE OR RELEVANT INFORMATION RELATING TO A BUSINESS ENTERPRISE'S ELIGIBILITY, CERTIFICATION, OR DECERTIFICATION;
4 5 6	(2) PERSONAL INTERVIEWS WITH BIDDERS, CONTRACTORS, VENDORS, OR SUPPLIERS INVOLVED IN A JOINT VENTURE OR CONTRACTUAL RELATIONSHIP WITH THE BUSINESS ENTERPRISE;
7	(3) REVIEWING RECORDS PERTAINING TO CERTIFICATION; AND
8	(4) CONDUCTING RANDOM, ON-SITE VISITS, AUDITS, OR RELEVANT INQUIRIES.
9	§ 27-22. DECERTIFICATION.
10 11	The Office may decertify a business that it determines no longer meets the certification criteria.
12	§ 27-23. CERTIFICATION APPEALS.
13	(a) Office determinations.
14	All adverse certification determinations by the Office must:
15	(1) BE IN WRITING;
16	(2) INCLUDE THE REASONS FOR THE DETERMINATION; AND
17	(3) BE SENT TO THE AFFECTED BUSINESS ENTERPRISE.
18	(B) APPEAL.
19 20	(1) An aggrieved party has a right to protest an adverse certification determination and seek administrative review.
21 22 23	(2) To obtain administrative review, the aggrieved party must submit a written protest to the Chief within 7 days of receipt of the adverse determination.
24 25	(3) THE PROTEST MUST SPECIFY THE REASONS AND FACTUAL GROUNDS OF THE PROTEST AND BE ACCOMPANIED BY ANY SUPPORTING DOCUMENTS.
26	(c) Action by Chief.
27	WITHIN 15 DAYS OF RECEIPT OF THE PROTEST, THE CHIEF MUST:
28	(1) REVIEW THE PROTEST AND ALL RELEVANT SUPPORTING DOCUMENTS; AND
29	(2) RENDER A WRITTEN DECISION THAT INCLUDES THE REASONS FOR THE DECISION.

1	(d) Hearing.
2 3 4 5 6	(1) After all departmental remedies have been exhausted, the aggrieved applicant may request a hearing before a panel of independent hearing officers, with 1 member of the panel being appointed by the President of the City Council and the other members of the panel being appointed by the City Solicitor.
7 8	(2) The hearing officer must be knowledgeable of Baltimore City procurement laws and procedures, including this subtitle.
9	§§ 27-24 to 27-25. {Reserved}
10	PART IV. BIDDING PREFERENCES
11	§ 27-26. BID ADJUSTMENT.
12 13 14 15	In determining the lowest bidder on any contract that involves an expenditure of $\$25,000$ or more, the quote, bid, or proposal submitted by a certified local business enterprise must be adjusted by reducing that quote, bid, or proposal by the lesser of:
16	(1) 5%; OR
17	(2) \$50,000.
18	§ 27-27. Limitation.
19 20 21 22	The adjustment made under § 27-26 {"Bid adjustment"} of this subtitle is solely for the purpose of establishing the low bidder. The actual value of the contract awarded is the amount of the actual quote, bid, or proposal submitted by the LBE.
23	§ 27-28. NOTICE.
24 25 26	EVERY SOLICITATION OR REQUEST FOR QUOTES, BIDS, OR PROPOSALS ON ANY CONTRACT SUBJECT TO THIS SUBTITLE MUST CONTAIN A CONSPICUOUS NOTICE OF THE APPLICATION AND EFFECT OF THIS SUBTITLE.
27	§§ 27-29 to 27-30. {Reserved}
28	PART V. PENALTIES
29	§ 27-31. Prohibited conduct.
30	No person may:
31 32 33	(1) FRAUDULENTLY OBTAIN, RETAIN, ATTEMPT TO OBTAIN OR RETAIN, OR AID ANOTHER IN FRAUDULENTLY OBTAINING, RETAINING, OR ATTEMPTING TO OBTAIN OR RETAIN CERTIFICATION UNDER THIS SUBTITLE;

1	(2) IN ANY MATTER ADMINISTERED UNDER THIS SUBTITLE, WILLFULLY FALSIFY, CONCEAL
2	OR COVER UP BY A TRICK, SCHEME, OR DEVICE A MATERIAL FACT OR MAKE ANY FALSE
3	WRITING OR DOCUMENT KNOWING THAT IT CONTAINS ANY FALSE, FICTITIOUS, OR
4	FRAUDULENT STATEMENT OR ENTRY;
5	(3) WILLFULLY OBSTRUCT, IMPEDE, OR ATTEMPT TO OBSTRUCT OR IMPEDE AN
6	AUTHORIZED OFFICIAL OR EMPLOYEE WHO IS INVESTIGATING THE QUALIFICATIONS OF
7	A BUSINESS ENTERPRISE THAT HAS REQUESTED CERTIFICATION UNDER THIS SUBTITLE;
8	(4) FRAUDULENTLY OBTAIN, ATTEMPT TO OBTAIN, OR AID ANOTHER IN FRAUDULENTLY
9	OBTAINING OR ATTEMPTING TO OBTAIN PUBLIC MONEY TO WHICH THE PERSON IS NOT
10	ENTITLED UNDER THIS SUBTITLE; OR
11	(5) MAKE A FALSE STATEMENT TO ANY PERSON OR ENTITY THAT ANOTHER PERSON OR
12	ENTITY IS OR IS NOT CERTIFIED UNDER THIS SUBTITLE.
13	§ 27-32. Criminal penalties.
14	Any person who violates any provision of § 27-32 {"Prohibited conduct"} is guilty
15	OF A MISDEMEANOR AND, ON CONVICTION, IS SUBJECT TO IMPRISONMENT FOR NOT MORE
16	than 1 year, to a fine of not more than $$1,000$, or to both imprisonment and fine.
17	SECTION 2. AND BE IT FURTHER ORDAINED, That the catchlines contained in this Ordinance
18	are not law and may not be considered to have been enacted as a part of this or any prior
19	Ordinance.
20	SECTION 3. AND BE IT FURTHER ORDAINED, That this Ordinance takes effect on the 30 th day
21	after the date it is enacted.