

**CITY OF BALTIMORE
COUNCIL BILL 05-0115R
(Resolution)**

Introduced by: Councilmembers Holton, Kraft, Harris, Clarke, Rawlings Blake, President Dixon,
Councilmembers D'Adamo, Conaway, Branch, Welch
Introduced and read first time: December 8, 2005
Assigned to: Economic Development and Public Financing Subcommittee

Committee Report: Favorable with amendments
Adopted: November 20, 2006

A COUNCIL RESOLUTION CONCERNING

1 Informational Hearing – City Purchasing Policy - Utilization of Small Business Vendors

2 FOR the purpose of requesting the City Purchasing Agent to report to the City Council on the
3 City's use of small businesses to fulfill local government contracts for the delivery of goods
4 and services to enable the Council to assess if current policy is satisfactory to ensure that
5 small businesses have ample opportunity to participate in the bid process and to determine if
6 contracts are being awarded to bona fide small businesses actually located within the City
7 limits.

8 Recitals

9 A small business for the purpose of City of Baltimore procurement is a concern organized for
10 profit, which is independently owned and operated with 100 or fewer employees with annual
11 revenues under \$10,000,000, and its principal place of business is in the City of Baltimore.

12 The Office of Advocacy of the federal Small Business Administration (SBA) reports that in
13 2003, the gross domestic product continued to rise nationwide, while growth in employment
14 remained slow to recover. Small businesses, however, were then and continue to be a source of
15 economic strength nationally and in Maryland – ½ of the country's private non-farm output and
16 employment stems from small firms with 500 or fewer employees.

17 In Maryland, businesses with fewer than 500 workers employ 52.2 % of the state's non-farm
18 sector employees. Between 1999 and 2000, small businesses added a net total of 57,939
19 employees and represented 84% of net non-farm employment in the state. Non-farm proprietors'
20 income – a partial measure of small business income – increased by 4.3% in 2002 and amounted
21 to \$11.1 billion.

22 The SBA, in cooperation with the Baltimore Development Corporation, sponsors the Small
23 Business Resource Center to provide information about many subjects that affect small business,
24 from planning and financing to marketing and insurance. The Center has a large business
25 library, plus PC-based internet access to magazines and newspapers nationwide for patrons to do
26 research on a variety of business topics and hands-on resources to provide information on
27 starting a business, preparing a business plan, getting credit, business taxes and regulatory
28 responsibilities, and networking.

EXPLANATION: Underlining indicates matter added by amendment.
Strike out indicates matter stricken by amendment.

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1 The Mayor's Office of Minority Business Development recently completed the Baltimore
2 City Vendor Development 2005 Seminar Series for Minority and Women Business Enterprises
3 at the Center offering courses, for a nominal fee, that included sessions on *How to Market to City*
4 *Agencies, Using Technology to Access City Opportunities, How to Respond to Bid Documents,*
5 *General Business Requirements for City Contracts, Bonding and Credit Worthiness for City*
6 *Contracts, Accounting Practices and Invoicing for City Contracts, and Project Management for*
7 *City Contracts.* Small business owners were encouraged to participate in the seminar to better
8 prepare them to do business with the City.

9 It is the policy of Baltimore City to promote equal business opportunity in the City's
10 contracting process by encouraging full and equitable participation by minority and women's
11 business enterprise in the provision of goods and services to the City on a contractual basis. The
12 cabinet level Office of Minority Business Development is charged with overseeing the City's
13 commitment to increasing the number of minority-owned firms doing business in Baltimore
14 City.

15 Small businesses are often, but not always, included in the application of the City's inclusion
16 policy. A closer look at the participation rate of small businesses owners in the City government
17 purchasing process will ensure that these enterprising entrepreneurs, the backbone of the nation's
18 and state's economy, are being given their fair share of City business.

19 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the City
20 Purchasing Agent is requested to report to the City Council on the City's use of small businesses
21 to fulfill local government contracts for the delivery of goods and services to enable the Council
22 to assess if current policy is satisfactory to ensure that small businesses have ample opportunity
23 to participate in the bid process and to determine if contracts are being awarded to bona fide
24 small businesses actually located within the City limits.

25 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Director of
26 Finance, the City Purchasing Agent, the President of the Baltimore Development Corporation,
27 the Director of the Mayor's Office of Minority Development, the Chief of the Minority and
28 Women's Business Development Office, the Chair of the Ad Hoc Committee on Small
29 Businesses, and the Mayor's Legislative Liaison to the City Council.