



Legislation Text

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INTRODUCTORY*

CITY OF BALTIMORE
COUNCIL BILL R
(Resolution)

Introduced by: President Rawlings-Blake

A RESOLUTION ENTITLED

A COUNCIL RESOLUTION concerning
Investigative Hearing - CitiBuy - Prompt Payment to Small and Minority Businesses and 2nd Tier Sub-Contractors

FOR the purpose of requesting the Baltimore City Bureau of Purchases and the Mayor's Office of Minority and Women-Owned Business Development to report to the City Council on the number of small and minority businesses and 2nd tier sub-contractors that are contracted to deliver goods and services to City agencies; the average length of time between date of delivery of goods and services provided by small and minority businesses and other 2nd tier sub-contractors, and the date marking receipt of compensation for services rendered; and a comprehensive plan to revise current policies to ensure prompt payment to small and minority businesses and 2nd tier contractors.

Recitals

State and Local Procurement Preferences: A Survey, a research paper published by the National Institute of Governmental Purchasing, Inc., an international not-for-profit educational and technical organization of public purchasing agencies since 1944, found that government has always used its purchasing power as a tool to achieve certain social and political purposes. An increasing number of jurisdictions have interpreted their use of purchasing power as a tool in addressing social and economic imbalances that have developed along gender and ethnic lines. The growth of women and minority inclusion and reserve programs are one manifestation of this policy shift at state and local levels.

A growing number of cities and counties have identified the use of procurement funds as a vehicle to help strengthen local businesses and promote economic parity. To this end, they have established Minority and Women Business Enterprise programs that attach inclusion-based percentage benchmarks to applicable contracts to achieve this policy goal. Compliance with Baltimore City's minority and women procurement inclusionary program is administered by the Minority and Women's Business Opportunity Office, which has as its mission "to mitigate the effects of past and present discrimination against minority and women-owned business in the City's contracting process, while assuring that the high quality of goods and services are obtained through the competitive bidding process." The City's program is also buttressed by the Mayor's Office of Minority and Women-Owned Business Development, which works to create new opportunities for minority-owned and women-owned firms.

These programs are effective only when inclusion goals are adhered to and small and minority firms receive prompt payment for their services. A number of small and minority businesses perceive the lapse in time between services rendered and compensation for services to be an insurmountable barrier to greater participation in government procurement. It should be noted that many of these small and minority firms do not have the size or capacity to endure prolonged periods without revenue for their services. For these firms, this often amounts to foregone access to further capital and forfeiture or postponement of future growth possibilities. This is in direct conflict with the stated objectives of Baltimore's Minority and Women Business Enterprise Program.

In July 2007, the City of Baltimore established CitiBuy, a 24/7 market place for doing business. CitiBuy was established to allow all municipal agencies to automate, streamline, and reduce the complexity of their procurement programs while supporting the goal of the Bureau of Purchases to obtain the right materials at the right price, for delivery at the right time, to meet the needs of City agencies. Because of the central role of the Bureau of Purchases and of CitiBuy in the procurement process, they are well positioned to address the harm incurred by small and minority businesses functioning as second tier contractors on City contracts who do not receive prompt payment for services. To fully realize the benefits of Baltimore City's procurement initiatives, it is imperative that just as much significance be placed on the compensation for goods and services, as is placed on the delivery of goods and services to City agencies.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE, That the Baltimore City Bureau of Purchases and the Mayor's Office of Minority and Women-Owned Business Development are requested to report to the City Council on the number of small and minority businesses and 2nd tier sub-contractors that are contracted to deliver goods and services to City agencies; the average length of time between date of delivery of goods and services provided by small and minority businesses and other 2nd tier sub-contractors, and the date marking receipt of compensation for services rendered; and a comprehensive plan to revise current policies to ensure prompt payment to small and minority businesses and 2nd tier contractors.

AND BE IT FURTHER RESOLVED, That the Director, Minority and Women's Business Opportunity Office; the Director, Mayor's Office of Women and Minority Business Development; the Director, Department of Public Works; and the Director, Department of Transportation are also requested to attend the hearing and share their experience regarding the participation of minority and women's businesses in the City's procurement process.

AND BE IT FURTHER RESOLVED, That a copy of this Resolution be sent to the Mayor; the Baltimore City Purchasing Agent; the Director, Minority and Women's Business Opportunity Office; the Director, Mayor's Office of Women and Minority Business Development; the Director, Department of Public Works; the Director, Department of Transportation; and the Mayor's Legislative Liaison to the City Council.

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