

# Climate Assessment

Office of Legislative Oversight

## Bill 10-24: Contracts and Procurement – Local Small Business Reserve Program (LSBRP) – Veteran – Owned Business Preference Points

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 10-24 will have no impact on the County's contribution to addressing climate change as it proposes changes to an existing County procurement program.

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### BACKGROUND AND PURPOSE OF BILL 10-24

The County's Local Small Business Reserve Program (LSBRP) is one of three programs administered by the Montgomery County Office of Procurement that provide opportunities for local and small vendors to compete for contracting dollars with the County.<sup>1</sup> LSBRP "ensures that County departments award 25 percent (with specified exceptions) of their procurements for goods, services and construction to registered and certified local, small businesses."<sup>2,3</sup> In FY23, the County spent \$305 million with local small businesses. Almost \$56 million (31%) of this amount was spent under the LSBRP.<sup>4</sup>

The goal of Bill 10-24 is to help veteran-owned local small businesses access more County procurement opportunities.<sup>5</sup> The Bill attempts to do this by establishing a Veteran-Owned Local Small Business Preference Points under the LSBRP.

Under this program, veteran-owned local small businesses that submit proposals for County contracts would be awarded preference points of five percent. The Bill defines a "veteran-owned local small business" as:

"a Local Small Business [as defined under County law] that is at least 51 percent owned by one or more individuals who: (a) are verified as having served on active duty in the armed forces of the United States, other than for training, and were discharged or released under conditions other than dishonorable; and (b) control the management and daily operations of the business."<sup>6</sup>

To be eligible, a business must provide the County with a valid Veteran-Owned Small Business (VOSB) or Service-Disabled Veteran-Owned Small Businesses (SDVOSB) certificate from the U.S. Small Business Administration or the U.S. Department of Veterans Affairs.<sup>7</sup>

The Council on behalf of the County Executive introduced Bill 10-24, Contracts and Procurement – Local Small Business Reserve Program (LSBRP) – Veteran-Owned Business Preference Points on April 16, 2024.

## ANTICIPATED IMPACTS

As the Bill proposes changes to an existing County procurement program, OLO anticipates Bill 10-24 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

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## RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.<sup>8</sup> OLO does not offer recommendations or amendments as Bill 10-24 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

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## CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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## PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

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## CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

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<sup>1</sup> “FY23 Local Business Programs Annual Report” (Office of Procurement, Montgomery County Government, n.d.), <https://www.montgomerycountymd.gov/PRO/Resources/Files/Reports/FY23%20Local%20Business%20Programs%20Annual%20Report.pdf>

<sup>2</sup> “Local Small Business Reserve Program (LSBRP),” Local Small Business Reserve Program, Montgomery County Office of Procurement, Montgomery County, MD, accessed October 11, 2023, <https://www.montgomerycountymd.gov/PRO/DBRC/lsbrp.html>

<sup>3</sup> In County law, a “local small business” is “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.” Montgomery County Code, “Article XV. Local Small Business Reserve Program.” [https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco\\_md/0-0-0-123732](https://codelibrary.amlegal.com/codes/montgomerycounty/latest/montgomeryco_md/0-0-0-123732).

<sup>4</sup> “FY23 Local Business Programs Annual Report.”

<sup>5</sup> “Introduction Staff Report on Bill 10-24, Contracts and Procurement – Local Small Business Reserve Program – Veteran Owned Business Preference Points – Established” (Montgomery County Council, April 16, 2024), [https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=2834\\_1\\_25601\\_Bill\\_10-2024\\_Introduction\\_20240416.pdf](https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=2834_1_25601_Bill_10-2024_Introduction_20240416.pdf).

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022