Councilmember Kenyan R. McDuffie

## A BILL

## IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

| 1 2 | To amend, the Small and Certified Business Enterprise Development and Assistance Act of 2005   |
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| 3   | to amend the total permitted limit on a contract for small business enterprise or certified business enterprise set aside contract, to amend the to revise the percentage of civil |
| 4   | penalty that shall be assessed for the failure to comply with the District of Columbia   |
| 5   | subcontracting requirements. To amend the Procurement Practices Reform Act of 2010 to  |
| 6   | define material change for contracts and create an approval process for Council, to add a  |
| 7   | disapproval for contracts that fail to submit to Council all required materials, to allow for  |
| 8   | set aside contracts for architectural and engineering services that are performed by   |
| 9   | certified business enterprises.  |
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| 11  | BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this  |
| 12  | act may be cited as "The Certified Business Enterprise Program Protection Amendment Act of   |
| 13  | 2024".   |
| 14  | Sec. 2. Small and Certified Business Enterprise Development and Assistance Act of  |
| 15  | 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.01 et seq.), is   |
| 16  | amended as follows:  |
| 17  | (a) Section 2344(a) is amended by striking the figure "\$250,000 and inserting the   |
| 18  | figure "\$1,000,000" in its place.   |
| 19  | (b) Section 2363(c)(4) is amended by striking "equal to 10%" and inserting the   |
| 20  | "up to 300%" in its place.   |

| 21 | Sec. 3. Local Procurement Act of 2010, effective Apr. 8, 2011 (D.C. Law 18-371; D.C.             |
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| 22 | Official Code § 2–356.02 et. Seq) is amended as follows:   |
| 23 | (a) Section 202 (D.C. Official Code § 2-352.02) is amended as follows:                           |
| 24 | (1) Section (a) is amended as follows:   |
| 25 | (i) Paragraph (2) is redesignated as (2)(A) and is amended to read                               |
| 26 | as follows:  |
| 27 | "(2)(A) For a contract modification to exercise an option period                                 |
| 28 | when the exercise of the option period does not result in a material change in the terms of the  |
| 29 | underlying contract, submission of the modification to exercise the option period and the SBE    |
| 30 | spend goal result of original contract and updated goals for the option year shall constitute    |
| 31 | submission of the contract pursuant to this subsection."   |
| 32 | (ii) A new paragraph (2)(B) is added to read as follows:   |
| 33 | "(B) Material Change is a substantial change in scope, spend, or                                 |
| 34 | subcontracting to the original contract that was approved by Council."                           |
| 35 | (ii) A new paragraph (2)(C) is added to read as follows:   |
| 36 | "(C) A proposed contract that has had a material change in excess                                |
| 37 | of \$1 million during a 12-month period shall be deemed approved by the Council if during the    |
| 38 | 45-day period beginning on the 1st day (excluding Saturdays, Sundays, and holidays) following    |
| 39 | its receipt by the Office of the Secretary to the Council, no member of the Council introduces a |
| 40 | resolution to approve or disapprove the proposed contract."                                      |
| 41 | (2) Section (b) is amended as follows:   |
| 42 | (i) Paragraph (2)(A) is amended by striking the phrase "10 day"                                  |
| 43 | and inserting the phrase "20-day" in its place.  |

| 44 | (ii) A new paragraph (b)(4) is added to read as follows:   |
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| 45 | "(b)(4) A proposed multiyear contract shall be deemed disapproved by the                             |
| 46 | Council if the required items under subsection (c) of this section are not transmitted to Council    |
| 47 | during the 45-calendar-day review period beginning on the 1st day (excluding Saturdays,              |
| 48 | Sundays, and holidays) following its receipt by the Office of the Secretary to the Council.          |
| 49 | (2) A new paragraph (a)(2)(B) is added to read as follows:   |
| 50 | "(a)(2)(B) Material Change is a substantial change in scope, spend, or                               |
| 51 | subcontracting to the original contract that was approved by Council."                               |
| 52 | (3) A new paragraph (a)(2)(C) is added to read as follows:   |
| 53 | "(a)(2)(C) A proposed contract that has had a material change in excess of                           |
| 54 | \$1 million during a 12-month period shall be deemed approved by the Council if during the 45-       |
| 55 | day period beginning on the 1st day (excluding Saturdays, Sundays, and holidays) following its       |
| 56 | receipt by the Office of the Secretary to the Council, no member of the Council introduces a         |
| 57 | resolution to approve or disapprove the proposed contract."  |
| 58 | (b) Section 411 (D.C. Official Code § 2-354.11) is amended as follows:                               |
| 59 | (a) Paragraph (a) is amended to read as follows:   |
| 60 | "(a) The CPO may participate in, sponsor, conduct, or administer cooperative                         |
| 61 | purchasing agreements for the procurement of goods, services, or construction, only after having     |
| 62 | solicited a request for proposal.  |
| 63 | (c) Section 604 (D.C. Official Code § 2-356.04) is amended as follows:                               |
| 64 | (1) A new paragraph (f) is added to read as follows:   |
| 65 | "(f) (1) Set aside contracts for architectural and engineering services for                          |
| 66 | certified business enterprises and certified joint ventures in which a certified business enterprise |

| 67 | holds a majority interest; or   |
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| 68 | (2) Award preferences to certified business enterprises as provided in § 2                          |
| 69 | 218.43 as part of the evaluation of statements of qualifications submitted in response to a request |
| 70 | for qualifications."  |
| 71 | Sec. 4. Fiscal impact statement.  |
| 72 | The Council adopts the fiscal impact statement of the Chief Financial Officer as the fiscal         |
| 73 | impact statement required by section 4a of the General Legislative Procedures Act of 1975,          |
| 74 | approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).                         |
| 75 | Sec. 5. Effective date.   |
| 76 | This act shall take effect following approval by the Mayor (or in the event of veto by the          |
| 77 | Mayor, action by the Council to override the veto), a 30-day period of Congressional review as      |
| 78 | provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December          |
| 79 | 24, 1973 (87 Stat. 813; D.C. Code § 1-206(c)(1)), and publication in the District of Columbia       |
| 80 | Register.   |