
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1317 Session of
2023

INTRODUCED BY STRUZZI AND CEPEDA-FREYTIK, JUNE 5, 2023

REFERRED TO COMMITTEE ON STATE GOVERNMENT, JUNE 5, 2023

AN ACT

1 Amending Title 62 (Procurement) of the Pennsylvania Consolidated
2 Statutes, in diverse and disadvantaged businesses, further
3 providing for definitions and for woman-owned business,
4 minority-owned business or veteran-owned business and
5 establishing the HUB Zone Business Procurement Program.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. The definition of "diverse and disadvantaged
9 businesses" in section 2201 of Title 62 of the Pennsylvania
10 Consolidated Statutes is amended and the section is amended by
11 adding definitions to read:

12 § 2201. Definitions.

13 The following words and phrases when used in this chapter
14 shall have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 "Contract-specific goal." A goal established under section
17 2203 (relating to HUB Zone Business Procurement Program) for use
18 of HUB zone businesses on a specific procurement.

19 "Diverse and disadvantaged businesses." A woman-owned
20 business, a minority-owned business [or], a veteran-owned

1 business or a HUB zone business.

2 "Good-faith efforts." The practices or activities instituted
3 by a bidder or offeror to promote and ensure participation by
4 HUB zone businesses in a procurement in order to meet a
5 contract-specific goal.

6 "HUB zone." A historically underutilized business zone.

7 "HUB zone business." A for-profit business located in a HUB
8 zone of this Commonwealth that satisfies the qualification
9 criteria specified at 13 CFR Pt. 126 Subpt. B (relating to
10 requirements to be a certified HUBZone small business concern).

11 "HUB Zone Program." The HUB Zone Business Procurement
12 Program established under section 2203(a).

13 * * *

14 "Utilization schedule." A document, submitted by a bidder or
15 offeror as part of a bid or proposal, in which a bidder or
16 offeror outlines HUB zone business participation for a contract
17 and identifies the dollar value or percentages of the work to be
18 performed.

19 * * *

20 Section 2. Section 2202 heading and (c) of Title 62 are
21 amended to read:

22 § 2202. [Woman-owned business, minority-owned business or
23 veteran-owned business] Diverse and disadvantaged
24 businesses.

25 * * *

26 (c) Lists.--The department shall compile, maintain and make
27 available source lists of businesses verified by the department
28 as a diverse or disadvantaged business for the purpose of
29 encouraging procurement from those businesses and for the
30 purpose of complying with section 2203 (relating to HUB Zone

1 Business Procurement Program).

2 * * *

3 Section 3. Title 62 is amended by adding a section to read:

4 § 2203. HUB Zone Business Procurement Program.

5 (a) Establishment.--The HUB Zone Business Procurement
6 Program is established within the department for the purpose of
7 ensuring that executive agencies and independent agencies for
8 which the department acts as purchasing agency enter into
9 contracts with HUB zone businesses as provided under this
10 section. The department shall administer the HUB Zone Program.
11 The department's duties shall include:

12 (1) Formulating, proposing and implementing policy and
13 regulations for the development, implementation and
14 monitoring of the HUB Zone Program.

15 (2) Providing information and assistance to HUB zone
16 businesses relating to the HUB Zone Program, including
17 special training programs for HUB zone businesses to learn
18 how to do business with executive agencies and independent
19 agencies for which the department acts as purchasing agency
20 and serving as a liaison to community, contractors,
21 professionals and supplier groups, associations and
22 organizations.

23 (3) Ensuring that HUB zone businesses are solicited on
24 procurements for which the HUB zone businesses may be suited.

25 (4) Establishing contract-specific goals, in
26 collaboration with the purchasing agency, based upon relevant
27 factors, including the availability of HUB zone businesses to
28 meet the scope of work of the procurement.

29 (5) In collaboration with the purchasing agency,
30 reviewing utilization schedules, considering requests for

1 waivers of contract-specific goals based upon a showing of
2 good-faith efforts and evaluating the extent to which
3 contract-specific goals were achieved.

4 (6) Monitoring contracts to evaluate compliance with
5 contract-specific goals and commitments.

6 (7) Receiving, reviewing and acting upon complaints and
7 suggestions concerning the HUB Zone Program.

8 (8) Evaluating the effectiveness and utility of the HUB
9 Zone Program.

10 (b) HUB zone business procurement.--The following shall
11 apply:

12 (1) Within six months of the effective date of this
13 paragraph, each executive agency and independent agency for
14 which the department acts as purchasing agency shall
15 establish contract-specific goals that ensure that each
16 contract entered into by the purchasing agency garners:

17 (i) Five percent participation from HUB zone
18 businesses on contracts totaling at least \$100,000 and
19 not more than \$750,000.

20 (ii) Ten percent participation from HUB zone
21 businesses on contracts totaling more than \$750,000.

22 (2) Paragraph (1) shall not apply to contracts:

23 (i) where no qualified HUB zone business exists; or

24 (ii) which have received a waiver under subsection

25 (c).

26 (3) To satisfy requirements under paragraph (1), a
27 purchasing agency may award contracts directly to prime HUB
28 zone business contractors or indirectly to HUB zone business
29 subcontractors.

30 (c) Request for a full or partial waiver and good-faith

1 efforts.--Notwithstanding any provision of this title, bidders
2 or offerors may request a partial or full waiver of a contract-
3 specific goal for HUB zone business participation. A bidder or
4 offeror requesting a partial or full waiver shall submit, in
5 writing, a report detailing efforts to meet the contract-
6 specific goal as required by the solicitation. In reviewing a
7 bidder's or offeror's written request for a partial or full
8 waiver of a contract-specific goal, the purchasing agency, based
9 on the recommendation of the department, shall determine if a
10 bidder or offeror has made good-faith efforts to meet the
11 contract-specific goal and to what extent the waiver request
12 should be granted. In determining if a bidder or offeror has
13 made good-faith efforts, the purchasing agency and the
14 department may consider levels of participation by HUB zone
15 businesses by other bidders or offerors.

16 (d) Compliance.--The department shall perform compliance
17 reviews and monitor contracts with HUB zone businesses on a
18 monthly basis.

19 (e) Payment verification reports.--A purchasing agency shall
20 submit payment verification reports to the department to assist
21 with monitoring compliance and to determine if the prime
22 contractor met the prime contractor's overall contract-specific
23 goal and any subgoals that were established for the contract.

24 Section 4. This act shall take effect in 60 days.