



December 19, 2019

Dear Council President Katz, Vice President Hucker, GO Committee Chair Navarro, and members of the County Council,

We respectfully submit this joint letter to ask that the Council bring **Bill 25-19E - Contracts and Procurement - Local Business Preference Program – Established** up for discussion at the Government Operations and Fiscal Policy (GO) committee.

Bill 25-19E would require a 10% price preference for a local business bidding on a contract or submitting a proposal under an RFP for a contract awarded by the County. The preference is given because of the disadvantage local businesses often face when competing for County procurement contracts due to the cost of operating a business in the County. We understand there are two general concerns causing the legislation to be indefinitely deferred: the legal landscape and concerns over local, minority-owned business.

Legal Landscape

The Office of the County Attorney states there must be a significant government purpose for implementing a local preference program. Local business preference programs have been established in many jurisdictions, including Washington, D.C; Prince George's County, Maryland; Boston, MA; Cleveland, OH; and Madison, WI, to name a few and very few have been subject to legal scrutiny. Because of these programs, especially those in Washington, D.C. and Prince George's County, Maryland, companies headquartered in Montgomery County are at a disadvantage when bidding on projects in those jurisdictions. Utilizing local businesses for County procurement benefits the community in many ways – local business owners often live in the county, hire county residents, support local charities and pay local taxes.

Local, Minority Owned Businesses

The legislation is also being deferred because a local preference program may inadvertently penalize those minority owned businesses located outside of Montgomery County. However, this legislation, combined with existing preferences for minority-owned firms (Bill 48-14), gives *extra consideration* to those local businesses that are also minority owned. Such policy questions and priorities should be discussed by the GO committee members and the full Council.

In summary, it is in the best interest of the County to support local businesses which help fulfill the County's social benefit goals such as minimum wage, sick and safe leave and ban the box. It also is a stated goal of the County to address historic disparities experienced by minority communities within the County's procurement processes. This legislation serves both objectives. Therefore, we respectfully request that Bill 25-19E no longer be deferred and brought up for discussion at the GO committee.

Thank you for your consideration.

Sincerely,

Ginanne Italiano
President and CEO
The Greater Bethesda Chamber of Commerce

Marilyn Balcombe
President and CEO
Gaithersburg-Germantown Chamber of Commerce

Jane Redicker
President and CEO
Greater Silver Spring Chamber of Commerce

Georgette "Gigi" Godwin
President and CEO
Montgomery County Chamber of Commerce