



October 8, 2025

FISCAL AND POLICY NOTE

TO: Colette R. Gresham, Esq.
Acting Council Administrator

Karen T. Zavakos, Esq.
Acting Deputy Council Administrator

THRU: Lavinia Baxter *LB*
Senior Legislative Budget and Policy Analyst

FROM: Roger G. Banegas *RGB*
Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement
CB-070-2025 Subcontractor Requirements for Businesses That Do Not Qualify as A
County-Based Small Business or County-Based Minority Business Enterprise

CB-070-2025 (*proposed and sponsored by: Council Member Oriadha*)

Assigned to the Government Operations and Fiscal Policy (GOFP) Committee

AN ACT CONCERNING SUBCONTRACTOR REQUIREMENTS FOR BUSINESSES THAT DO NOT QUALIFY AS A COUNTY-BASED SMALL BUSINESS OR COUNTY-BASED MINORITY BUSINESS ENTERPRISE for the purpose of mandating that in order for any contract to be given to a business that does not qualify as a County-based Small Business or County-based Minority Business Enterprise, that business shall have a subcontract with a County-based Small Business for a minimum value of fifteen percent (15%) of the total contract value.

Fiscal Summary

Direct Impact

Expenditures: None likely.

Revenue: None likely.

Indirect Impact

None.

Legislative Summary:

CB-070-2025¹, proposed and sponsored by Council Member Oriadha, was presented on September 9, 2025, and referred to the Government Operations and Fiscal Policy (GOFP) Committee. The Bill intends to provide an incentive to increase the participation of County-Based Small Businesses in County procurement.

Current Law/Background:

In Section 10A-108² of the Prince George's County Code, current County law lists a number of supplies and services that are exempt from Divisions 2, 6, and 7 of Subtitle 10A. These Divisions govern the award of contracts, special provisions, and economic development. Most notably, the current law exempts the County from having to go through the typical competitive solicitation process to acquire any of these supplies or services.

Section 10A-136³ mandates structured procurement procedures, establishes certification and roster rules, ensures outreach and training, and serves as the registry base for certification and potential decertification with the aim of advancing MBE participation in County contracting.

The County-based certification requirements in Section 10A-163⁴ outline the process for County-based businesses to be certified as such but does not specify a period of time for how long the certification status remains active.

Section 10A-173⁵ creates business preferences that the County should adjust for when reviewing competitive bids or competitive proposals. Under current law, the Purchasing Agent must apply a bid discount to the bid price or add the following percentage points to the total evaluated score of the proposal:

- 15% for County-based small businesses
- 15% for County-based minority business enterprises
- 10% for County-based business
- 5% for Minority Business Enterprises or Disadvantaged Business Enterprises

¹ [CB-070-2025](#)

² [Prince George's County Code Section 10A-108](#)

³ [Prince George's County Code Section 10A-136](#)

⁴ [Prince George's County Code Section 10A-163](#)

⁵ [Prince George's County Code Section 10A-173](#)

- 3% for County-located businesses

The Business Development Reserves Program currently exists under Section 10A-158.01⁶ of the Prince George's County Code. The purpose of the Program is to encourage and assist County-based small businesses to contract with the County for goods and services.

Discussion/Policy Analysis

If enacted, the proposed Bill would amend the Prince George's County Code Subtitle 10A. *Purchasing*. Division 6. *Special Provisions* and Division 7. *Economic Development* to add additional language to Sections 10A-136 and 10A-163.

The proposed Bill adds §10-136(o) to provide clarification on the minimum percentage a business that does not qualify as a County-Based Minority Business Enterprise is required to subcontract to a County-Based Small Business, which would be fifteen percent (15%) of the total contract value. The requirement is stated as follows:

New Proposed Language

- (o) *Notwithstanding any provision in this Subtitle, in order for any contract to be provided from the County to a business that does not qualify as a County-Based Minority Business Enterprise, that business shall have a mandatory subcontracting requirement with a County-Based Small Business for a minimum value of at least fifteen percent (15%) of the total contract value.*

The proposed Bill also adds the above language to §10-163(m) to clarify the percentage requirement.

Fiscal Impact

- *Direct Impact*

CB-070-2025 is not expected to have a direct fiscal impact on the County.

- *Indirect Impact*

CB-070-2025 is not expected to have any indirect fiscal impacts for the County. However, the enactment of CB-070-2025 may have an indirect fiscal impact on Contractors already doing business with the County, as they may struggle to find County-Based Minority Business Enterprise Subcontractors.

⁶ [Prince George's County Code Section 10A-158.01](#)

- *Appropriated in the Current Fiscal Year Budget*

No.

Effective Date of Proposed Legislation:

The Act shall take effect forty-five (45) calendar days after it becomes law.

If you require additional information or have questions about this fiscal impact statement, please email me.