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Councilmember Brooke Pinto

Councilmember Kenyan R. McDuffie

A PROPOSED RESOLUTION

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To declare the existence of an emergency with respect to the need to close a loophole in the existing law that allows large out of state firms to certify as local business enterprises.

RESOLVED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this resolution may be cited as the “Local Business Enterprise Clarification Declaration Resolution of 2020”.

Sec. 2. (a) The goal of the District of Columbia’s Department of Small and Local Business Development is to stimulate and foster the economic growth and development of businesses based in the District of Columbia. Due to a loophole in existing law, many large and out-of-District firms have been able to legally certify as local business enterprises.

(b) Although, there are over 1,800 certified business enterprises (“CBEs”), between 2016 and 2018, a total of 1,326 business firms were awarded contracts under the District’s procurement process. Among the 1,326 firms, 730 (55%) were located within the District and 596 (45%) were located outside of the District. Among the 1,326 firms, 870 (66%) were non-CBEs and 456 (34%) were CBEs.

33 (c) Numerous small and local businesses based in the District have and continue to voice
34 concern over being excluded from competition for District contracts by larger non-District based
35 firms.

36 (d) Further, since the public health emergency began, businesses in the District have
37 experienced among the largest share of revenue loss in the nation and it is estimated that one in 4
38 small businesses face permanent closure.

39 (e) Emergency legislation is needed to ensure that local firms have a fair shot in the
40 District's contracting and procurement process and to ensure the CBE Program works for the
41 benefit of firms that are truly local.

42 Sec. 3. The Council of the District of Columbia determines that the circumstances
43 enumerated in section 2 constitute emergency circumstances making it necessary that the Local
44 Business Clarification Emergency Amendment Act of 2020 be adopted after a single reading.

45 Sec. 4. This resolution shall take effect immediately.