

A RESOLUTION

23-518

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

September 22, 2020

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 Emergency Declaration Resolution of 2020”.

Sec. 2. (a) The goal of the 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, out-of-District businesses have been able to legally certify as local business enterprises.

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

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

(d) Also, since the public health emergency began, businesses located in the District have experienced among the largest share of revenue loss in the United States. It is estimated that one in 4 small businesses located in the District face permanent closure.

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

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

Sec. 4. This resolution shall take effect immediately.