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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2267 Session of  
2024

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INTRODUCED BY GUZMAN, CEPEDA-FREYTIZ, GIRAL, HILL-EVANS,  
SCHLOSSBERG, SANCHEZ, McANDREW, MAYES AND BELLMON,  
MAY 3, 2024

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REFERRED TO COMMITTEE ON STATE GOVERNMENT, MAY 3, 2024

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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

1 business, a minority-owned business [or], a veteran-owned  
2 business or a HUB zone business.

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

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

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

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

14 \* \* \*

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

20 \* \* \*

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

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

26 \* \* \*

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

1 purpose of complying with section 2203 (relating to HUB Zone  
2 Business Procurement Program).

3 \* \* \*

4 Section 3. Title 62 is amended by adding a section to read:  
5 § 2203. HUB Zone Business Procurement Program.

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

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

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

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

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

30 (5) In collaboration with the purchasing agency,

1 reviewing utilization schedules, considering requests for  
2 waivers of contract-specific goals based upon a showing of  
3 good faith efforts and evaluating the extent to which  
4 contract-specific goals were achieved.

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

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

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

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

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

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

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

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

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

25 (ii) which have received a waiver under subsection

26 (c).

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

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

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

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

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