

VETERAN-OWNED SMALL BUSINESS PREFERENCE IN MARYLAND FREQUENTLY ASKED QUESTIONS

What is the Veteran-Owned Business Preference?

Governor O'Malley signed a bill into law establishing Maryland's Procurement Preference Program for Veteran-Owned Small Businesses (VOSBs) and Service-Disabled Veteran-Owned Small Businesses (SDVOSBs). The Law was effective as of October 1, 2008. The Law establishes a percentage price preference of up to 7% for certified VOSBs and up to 8% for SDVOSBs. The VOSB and SDVOSB certification is restricted to veterans domiciled in Maryland.

How is Maryland's Program different from the Federal Program for service-disabled, veteran-owned small business?

There are many differences between the Programs:

- *The small business size standards are different.*

Maryland Law defines a small business as..."a business, other than a broker, which meets the following criteria:

- (a) It is independently owned and operated;
- (b) It is not a subsidiary of another firm;
- (c) It is not dominant in its field of operation;
- (d) Its wholesale operations did not employ more than 50 persons, and its gross sales did not exceed an average of \$4,000,000 in its most recently completed 3 fiscal years;
- (e) Its retail operations did not employ more than 25 persons and its gross sales did not exceed an average of \$3,000,000 in its most recently completed 3 fiscal years;
- (f) Its manufacturing operations did not employ more than 100 persons, and its gross sales did not exceed an average of \$2,000,000 in its most recently completed 3 fiscal years;
- (g) Its service operations did not employ more than 100 persons, and its gross sales did not exceed an average of \$10,000,000 in its most recently completed 3 fiscal years;
- (h) Its construction operations did not employ more than 50 persons, and its gross sales did not exceed an average of \$7,000,000 in its most recently completed 3 fiscal years; and
- (i) Its architectural and engineering services did not employ more than 100 persons, and its gross sales did not exceed an average of \$4,500,000 in its most recently completed 3 fiscal years." COMAR 21.01.02.01(B)(80)

Maryland regulations are available online at <http://www.dsd.state.md.us/comar>.

- *Maryland expanded the Program to include veteran-owned small businesses as well as service-disabled veteran-owned small businesses.*
- *The Maryland Program is a procurement price preference unlike the Federal Program which is a procurement set-aside.*

Under Maryland's Law, certified VOSBs and SDVOSBs compete for State contracts along with businesses that are not certified small businesses (non-preference businesses). If a non-preference business submits the low bid, a certified VOSB would nonetheless be awarded the contract **if its bid does not exceed the low bid by more than 7%.¹** If a non-preference business submits the low bid, a certified SDVOSB would nonetheless be awarded the contract **if its bid does not exceed the low bid by more than 8%.**

If I am registered with the Federal Government's VETBIZ (The Center for Veterans Enterprise Web Portal), do I also have to register with the State of Maryland?

Yes. Since Maryland's small business size standards are different than the Federal Program, you must register as a small business on the Maryland Department of General Services' website.

<https://www.smallbusinessreserve.maryland.gov>

Before you register, double check to make sure your business falls within Maryland small business size standards found in COMAR 21.01.02.01(B)(80).

It is important to note that the small business certification also enables your business to participate in the State's Small Business Reserve Program. The Reserve Program requires certain State agencies to structure their contracts so that at least 10 percent of their total procurement dollars for goods, supplies, services, maintenance, construction, construction-related services, architectural service, and engineering go to certified small businesses. The State paid \$131 million to Small Business Reserve businesses in FY 2008.²

After I register as a small business on the DGS website, am I done? Can I start bidding on Preference Procurements immediately?

Yes. But each time you bid, you must submit the following documentation with your bid.

If you are currently verified and registered on www.VetBiz.gov - A copy of the letter from the U.S. Department of Veterans Affairs Verification Program showing your verification is current.

If you are bidding as a VOSB but are not registered on VetBiz – a copy of your DD Form 214 showing discharge or release under conditions other than dishonorable.

If you are bidding as a SDVOSB but are not registered on VetBiz - a copy of your DD Form 214 showing discharge or release under conditions other than dishonorable AND a copy of your Adjudication Letter from the U.S. Veterans Administration.

¹ Low bid is not the sole determining factor for award. See COMAR 21.05.02.13

² Fiscal Year 2008 Small Business Reserve Report, Governor's Office of Minority Affairs

Make sure to maintain your State small business certification. Like the Federal Program, annual recertification is required.

How do I find out about State procurements that are subject to the Preference?

Whether or not your business is eligible for certification as a VOSB or SDVOSB, you should register your company as a vendor on eMaryland Marketplace. It's free, and you will have access to State bidding opportunities for procurements over \$15,000. You can register at

<https://ebidmarketplace.com>

If your business is certified as a VOSB or SDVOSB, check the solicitation notices for those State agencies authorized to participate in the Preference Program. The solicitation notices will state whether the procurement is subject to the Preference.

Who can I talk with if I have more questions?

The Maryland Department of General Services is responsible for the small business certification program.

Department of General Services
Small Business Reserve Program
301 West Preston Street , Room M-3
Baltimore , Maryland 21201
e-mail at sbadmin@dgs.state.md.us .
Phone: 410-767-4270

The Maryland Department of Veterans Affairs is available to help with questions on the many programs available to Maryland's veterans including your status as a service-disabled veteran.

Maryland Department of Veterans Affairs
Jerry Boden, Chief of Staff
16 Francis Street, Fourth Floor
Annapolis, Maryland 21401
E mail: jboden@mdva.state.md.us

General procurement questions may be directed to the Board of Public Works.

Board of Public Works of Maryland
Mary Jo Childs, Procurement Advisor
80 Calvert Street, Room 117
Annapolis, Maryland 21401
E mail: mchilds@comp.state.md.us
Phone: (410) 260-7335; toll-free number 1-877-591-7320.