

**MEMORANDUM**

February 7, 2014

TO: Transportation, Infrastructure, Energy and Environment Committee

FROM: Robert H. Drummer, Senior Legislative Attorney 

SUBJECT: **Public Hearing:** Bill 7-14, Contracts and Procurement – Certified Green Business Program

Bill 7-14, Contracts and Procurement – Certified Green Business Program, sponsored by Councilmembers Berliner, Floreen, Riemer, Council President Rice, and Councilmembers Elrich, Andrews, and Navarro, was introduced on January 28, 2014. A Transportation, Infrastructure, Energy and Environment Committee worksession is tentatively scheduled for February 26, 2014 at 9:30 a.m.

Bill 7-14 would create a preference for a certified green business in the law governing the County's procurement of goods and services. It would also require the Executive to adopt a regulation implementing the preference for a certified green business.

The Department of Environmental Protection has developed a green business program where it certifies businesses that satisfy a checklist of required actions. However, there is no direct financial incentive for a business to be certified. This bill would provide a potential direct financial incentive for a green business that bids on County contracts. The Bill would encourage businesses to develop strategies for protecting the environment in their day to day operations. Councilmember Berliner explained the purpose of this Bill in his January 14 memorandum describing his proposed energy/environmental measures. See ©20 of Bill 2-14, Agenda Item 13.

The Fiscal and Economic Impact statement for this Bill will be transmitted after March 17 (see ©6).

This packet contains:	<u>Circle #</u>
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Bill No. 7-14  
Concerning: Contracts and Procurement  
- Certified Green Business Program  
Revised: January 15, 2014 Draft No. 2  
Introduced: January 28, 2014  
Expires: July 28, 2015  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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By: Councilmembers Berliner, Floreen, and Riemer, Council President Rice, and Councilmembers  
Elrich, Andrews, and Navarro

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**AN ACT** to:

- (1) create a preference in the procurement of goods and services by the County for a certified green business;
- (2) require the County Executive to adopt a regulation implementing the preference for a certified green business; and
- (2) generally amend the law governing the County's procurement of goods.

By adding

Montgomery County Code  
Chapter 11B, Contracts and Procurement  
Article XVII  
Section 11B-77

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
<b>[Single boldface brackets]</b>	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
<b>[[Double boldface brackets]]</b>	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

1 Article XVII is added as follows:

2 **Article XVII. Certified Green Business Program.**

3 **11B-77. Certified Green Business Program.**

4 (a) Definitions. In this Article the following terms have the following  
5 meanings:

6 Certified green business means a business accepted as a green business  
7 by the Department of Environmental Protection.

8 Director means the Director of the Department of Environmental  
9 Protection.

10 Green business means a forward-looking business that has  
11 demonstrated innovative environmental responsibility by embedding  
12 issues of sustainability into their day to day operations and supply chain  
13 decisions.

14 Green business evaluation factor means an evaluation factor in a  
15 request for proposals that gives an offeror credit for being a certified  
16 green business.

17 Percentage price preference means the percent by which a responsive  
18 bid from a responsible bidder who is a certified green business may  
19 exceed the lowest responsive bid submitted by a responsible bidder who  
20 is not a certified green business.

21 (b) Regulation. The Executive must adopt a Method 2 regulation that  
22 includes:

23 (1) a checklist of required actions necessary for a business to be  
24 certified as a green business;

25 (2) an application process for a business to be certified as a green  
26 business;

- 27 (3) a percentage price preference for a certified green business under  
 28 a solicitation for competitive sealed bidding;
- 29 (4) a green business evaluation factor for use in a request for  
 30 proposals; and
- 31 (5) a list of approved private organizations and government agencies  
 32 that provide green business certification.

33 (c) Certification. The Director may:

- 34 (1) directly certify a business that satisfies the checklist of required  
 35 actions established by regulation as a green business; or
- 36 (2) accept the green business certification of a green business by any  
 37 private organization or government agency that the Director finds  
 38 substantially duplicates the required actions established by  
 39 regulation.

40 (d) Role of Office of Procurement and Department of Environmental  
 41 Protection.

- 42 (1) The Office of Procurement must review all specifications of the  
 43 Using Departments and all cooperative purchasing agreements to  
 44 ensure compliance with this Section, appropriate use of a  
 45 percentage price preference or a green business evaluation factor,  
 46 and consistency among Using Departments procuring similar  
 47 goods and services.
- 48 (2) The Department of Environmental Protection must operate the  
 49 green certification process and maintain a list of businesses that  
 50 have been certified as a green business.

51 (e) Report by Office of Procurement. The Director of the Office of  
 52 Procurement, after consulting with the Director of Environmental  
 53 Protection, must submit a report to the County Council and County

54 Executive by September 30 each year about implementation of this  
55 Section for the prior fiscal year. The report should include:

56 (1) the dollar value of goods and services purchased from a certified  
57 green business;

58 (2) to the extent ascertainable, the additional cost of any contracts  
59 awarded to a certified green business under a percentage price  
60 preference;

61 (3) a summary of applications for certification as a green business  
62 made during the year, including the results of each application;

63 (4) a list of certified green businesses;

64 (5) suggested legislative or administrative changes; and

65 (6) any other relevant information.

66 *Approved:*

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Craig L. Rice, President, County Council Date

68 *Approved:*

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Isiah Leggett, County Executive Date

70 *This is a correct copy of Council action.*

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Linda M. Lauer, Clerk of the Council Date

## LEGISLATIVE REQUEST REPORT

Bill 7-14

*Contracts and Procurement – Certified Green Business Program*

**DESCRIPTION:** This Bill would create a preference for a certified green business in the County's procurement regulations.

**PROBLEM:** The Department of Environmental Protection has developed a green business program where it certifies businesses that satisfy a checklist of required actions. However, there is no direct financial incentive for a business to be certified. This bill would provide a potential direct financial incentive for a green business that bids on County contracts.

**GOALS AND OBJECTIVES:** The goal is to encourage businesses to develop strategies for protecting the environment in their day to day operations.

**COORDINATION:** DEP, DGS, County Attorney

**FISCAL IMPACT:** To be requested.

**ECONOMIC IMPACT:** To be requested.

**EVALUATION:** To be requested.

**EXPERIENCE ELSEWHERE:** To be researched.

**SOURCE OF INFORMATION:** Robert H. Drummer, 240-777-7895

**APPLICATION WITHIN MUNICIPALITIES:** To be researched.

**PENALTIES:** None



ROCKVILLE, MARYLAND

MEMORANDUM

February 5, 2014

TO: Craig Rice, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget  
Joseph F. Beach, Director, Department of Finance

SUBJECTS: Bill 2-14, Environmental Sustainability – Buildings – Benchmarking  
Bill 3-14, Buildings – Energy Efficiency – Energy Standards  
Bill 4-14, Street and Roads – County Street Lights  
Bill 5-14, Environmental Sustainability – Social Cost of Carbon Assessments  
Bill 6-14, Environmental Sustainability - Office of Sustainability – Established  
Bill 7-14, Contracts and Procurement – Certified Green Business Program  
Bill 8-14, Buildings – County Buildings – Clean Energy Renewable Technology  
Bill 9-14, Environmental Sustainability – Renewable Energy – County Purchase  
Bill 10-14, Buildings – Solar Permits – Expedited Review  
Bill 11-14, Buildings – Electric Vehicle Charging Station Permits – Expedited Review

As required by Section 2-81A of the County Code, we are informing you that transmittal of the fiscal and economic impact statements for the above referenced legislation will be delayed because more time is needed to coordinate with the affected departments, collect information, and complete our analysis of the fiscal and economic impacts. While we are not able to conduct the required detailed analyses at this time, it is clear that a number of these bills could have significant fiscal impacts.

Due to this year's heavy workload on Executive branch staff in developing both a full capital budget and an operating budget, the fiscal and economic statements will be transmitted after March 17, 2014.

JAH:fz

cc: Bonnie Kirkland, Assistant Chief Administrative Officer  
Lisa Austin, Offices of the County Executive  
Joy Nurmi, Special Assistant to the County Executive  
Patrick Lacefield, Director, Public Information Office  
Marc P. Hansen, Office of the County Attorney  
Robert Hagedoorn, Department of Finance  
David Platt, Department of Finance  
Alex Espinosa, Office of Management and Budget  
Mary Beck, Office of Management and Budget  
Nacem Mia, Office of Management and Budget  
Felicia Zhang, Office of Management and Budget