



Best Practices Small Business Reserve (SBR) *Implementation Guidelines*



BACKGROUND

Maryland created the Small Business Reserve (SBR) Program to allow small businesses to compete against other small businesses instead of larger, more established companies for contract awards. Once a solicitation or purchase has been designated as an “SBR” procurement, a contract can only be awarded to a certified small business identified in the CSB directory. The SBR Program is a race- and gender-neutral prime contracting program. To participate, the vendor must be a for-profit business that meets the established small business requirements. The self-certification process is done through eMaryland Marketplace Advantage (eMMA). See Annotated Code of Maryland, State Finance and Procurement (SFP) Article Title 14, Subtitle 5; and Code of Maryland Regulations (COMAR) 21.11.01.06.

The Department of Social and Economic Mobility (DoSEM) Office of Small, Minority, and Women Business Affairs (OSBA) and the Department of General Services (DGS) Office of State Procurement (OSP) are issuing this guidance to assist procurement officers and purchasers with designating a procurement for the SBR Program or otherwise making a purchase from a certified small business.

PROCUREMENT REFORM ACT OF 2025 (CH601)

Effective October 1, 2025, **all procurements and purchases with an expected value of \$1,000,000 or less shall be designated for the SBR Program**, unless OSBA has provided an exemption or approves a waiver request. In accordance with [Executive Order 01.01.2024.38](#), any procurement or purchase must be designated for the SBR Program unless market research shows fewer than two certified small businesses can perform the work (“the Rule of Two”). The following summarizes how to implement the SBR Program on certain categories of procurements and purchases:

1. For procurements and purchases of \$50,000 or less:

- **Requirement:** Procurement officers and purchasers must apply an SBR designation or make an award to a certified small business, unless:
 - Market research shows fewer than two certified small businesses can perform the work;
 - or
 - It is otherwise not practicable to apply an SBR designation.
- **Documentation:** Any decision not to use a certified small business must be documented in the procurement or purchase file.
- **PRG Reviews/Exemptions:**
 - PRG review is **not required**.
 - Exemptions are **not required** to be submitted to OSBA.

2. For procurements greater than \$50,000 and up to \$1,000,000:

- **Requirement:** Procurement officers must apply an SBR designation, unless market research shows fewer than two certified small businesses can perform the work.
- **PRG Reviews:**
 - PRG review for **SBR designation** is required.
- **Exemptions:**
 - If a procurement is determined to be exempt from SBR designation, procurement officers must submit an exemption form to OSBA.
 - The final determination must be documented in the procurement file.

3. For procurements greater than \$1,000,000

- **Requirement:** Procurement officers must apply an SBR designation, unless:
 - Market research shows fewer than two certified small businesses can perform the work; or
 - It is otherwise not practicable to apply an SBR designation.
- **Documentation:** Any determination not to apply an SBR designation must be documented in the procurement file.
- **PRG Reviews/Exemptions:**
 - PRG review is required.
 - Exemptions are **not required** to be submitted to OSBA.

EXEMPTIONS & WAIVERS TO AUTOMATIC SBR PROGRAM DESIGNATION

The following exemptions apply to automatic designation of the SBR Program on procurements and purchases with an expected value of \$1,000,000 or less. Any determination not to apply an SBR designation or make an award to a certified small business must be documented in the procurement or purchase file, along with the justification.

Exemptions:

- Preference procurement made from a preference provider
- Procurement involves federal dollars, inclusion in the SBR Program conflicts with federal law or grant provisions
- Sole source
- Proprietary commodity purchase
- Noncompetitive negotiated procurements of human, social, or educational services
- Information technology master contract task order according to the Rule of 2 (less than two (2) certified small businesses available for this functional area)
- An eMMA search of certified small businesses registered to participate in the SBR Program has yielded the identification of less than two (2) certified small businesses (as defined in COMAR 21.01.02.01)

Waivers (applicable to procurements valued \$50,000+ to \$1,000,000):

For procurements with an expected value greater than \$50,000 and up to \$1,000,000 that do not meet prescribed exemptions, a formal waiver request from SBR designation can be submitted to OSBA using the PRG Guidance and Worksheets document located on [OSP's PRG webpage](#).

Exemptions for procurements and purchases of \$50,000 or less:

For procurements and purchases with an expected value of \$50,000 or less, procurement officers and purchasers may make a determination that it is not practicable to apply an SBR designation or otherwise make an award to a certified small business, but that determination and justification **must** be documented in the procurement or purchase file. PRG and OSBA review is not required for procurements and purchases valued \$50,000 or less.

PERFORMING MARKET RESEARCH TO IDENTIFY CERTIFIED SMALL BUSINESSES

Procurements do not need to be designated for the SBR Program and purchases do not need to be made from a certified small business if an eMMA search of certified small businesses shows that less than two certified small businesses exist that can perform the work. The following steps will assist procurement officers and purchases with performing market research:

1. Use [eMMA's Vendor Search](#) to identify certified small businesses (to determine if there are two certified small businesses, so that a procurement can be designated as SBR or purchase made from a certified small business).
2. Use Google to see what small businesses in the market area provide the goods or services the agency is seeking.
 - a. Upon locating any firms that appear to meet the scope of work, look through their website for examples of their work. If it is unclear if they do the work you need, reach out to them via email or phone call.
 - b. If the vendor is not registered in eMMA, reach out to them and let them know about the opportunities available to them. Include the below information:

Maryland's eProcurement platform "eMMA" is live! Vendors seeking business with Maryland's public bodies can [CLICK HERE](#) to register for access to business opportunities and to access [Quick Reference Guides](#) and [FAQs](#) or go to <https://emma.maryland.gov>. For questions on registering contact emma.helpdesk@maryland.gov.

3. Use other databases and resources to consider to find small businesses, see below:
 - a. The [State of Maryland Minority Business Enterprise Program Directory](#) - <https://marylandmdbe.mdbecert.com>
 - b. Veteran-Owned Small Business Enterprises list in [eMaryland Marketplace Advantage](#) (eMMA)
 - c. SBA Dynamic Small Business Search portal - https://web.sba.gov/pro-net/search/dsp_dsbs.cfm

PROCEDURES FOR SBR DESIGNATION FOR COMPETITIVE PROCUREMENTS & SECONDARY COMPETITION ON STATEWIDE & MASTER CONTRACTS

For both competitive procurements and secondary competition under a master contract, any procurement with an expected value of \$1,000,000 or less must be designated for the SBR Program and the award made to a certified small business, unless an exemption is available or approved by OSBA.

In determining whether an exemption may apply according to the Rule of 2—that less than two certified small businesses exist that can perform the work—the procurement officer must research and confirm if adequate competition exists.

A Procurement Review Group (PRG) evaluation for an SBR Program procurement designation must be conducted if the expected value of the procurement exceeds \$50,000 using the available “PRG Evaluation - SBR Program Designation Worksheet” located on [OSP’s PRG webpage](#).

In compliance with the Executive Order 01.01.2024.38, if there are at least two (2) certified small businesses that are capable of performing the services or providing the required products, the procurement or secondary competition should be designated as an SBR Program procurement, regardless of the award amount.

If the PRG evaluation shows that at least two certified small businesses are available but it is not practicable to apply an SBR designation, and no exemptions apply, the agency may request a waiver of the SBR requirement. The procurement officer must submit the PRG Evaluation – SBR Program Designation Worksheet (Part 2), providing reasons for the waiver and any applicable supporting documentation

If indicating “Other” as the reason for the SBR Program Designation Waiver Request, approval from OSBA is required before submitting agency PRGs to the DGS OSP PRG (for DGS OSP delegated procurements) or other agency control authority as required.

Send SBR Program Designation Waiver Requests to GOSBA at SBRWaiver.GOSBA@maryland.gov with the subject line: “[Agency Name] - Requisition # - SBR Program Designation Waiver Request”. The typical response time is 72 hours. Note: for DGS OSP delegated procurements, response from OSBA will be emailed to the DGS.OSP-PRG@maryland.gov email address in addition to the agency procurement officer.

PROCEDURES FOR SBR DESIGNATED SOLICITATIONS

Prior to designating a procurement for the SBR Program, the agency must conduct thorough market research (using multiple sources* besides eMMA) to assure sufficient small businesses are available. *[This information should have been included on the PRG Evaluation - SBR Program Designation Worksheet form that was submitted and reviewed by DGS OSP (or the appropriate agency control authority) and/or GOSBA prior to issuing the solicitation.]*

All small businesses found from this market research should be directly solicited when the solicitation is posted on eMMA. The direct solicitation email should include the following language:

The State of Maryland [Agency Name] invites your firm to participate in the attached procurement that has been designated as a Small Business Reserve (SBR). In order to obtain an award, your firm must be registered and certified in the CSB Directory in the State's eProcurement system eMaryland Marketplace Advantage (eMMA). Refer to the attached link on how to register to become a Certified Small Business (CSB) that is eligible for the SBR Program: [CSB Certification and Recertification \(Vendors\): Maryland DGS - Office of State Procurement \(OSP\)](#)

Once the SBR-designated solicitation has been issued, the agency procurement officer should continually monitor small business interest during the solicitation process. Some examples of how this can be accomplished include:

- Reviewing what firms have looked at the solicitation and indicated interest in responding via eMMA;
- Reviewing attendance sign-ins from the Pre-Bid/Proposal Conference to see which firms indicated they are small businesses;
- Tracking phone calls and emails regarding the solicitation and keeping a log of firms and their small business status; and
- Monitoring the number of small businesses that submit bids/proposals in advance of the bid/proposal due date.

After a solicitation has been posted, if it becomes evident to the Procurement Officer that there is unlikely to be sufficient response (more than one bid/proposal) to the solicitation, the agency may determine that it is in the best interest of the State to remove the SBR designation and allow all businesses to bid on the requirements.

To change the SBR designation for a solicitation, the procurement officer must complete and submit to OSBA the PRG Evaluation - SBR Program Designation Worksheet (PART 3). Depending on how much time is remaining prior to the bid/proposal due date, the procurement officer should consider extending the bid/proposal response due date to provide other potential vendors time to respond. It may be beneficial for the Procurement Officer to consider holding a second Pre-Bid/Proposal Conference.

To notify vendors that this amendment is a possibility, the original solicitation should include the following language at the end of the SBR notice on the solicitation cover page:

However, if small businesses do not show interest in this solicitation, the Procurement Officer has the right to remove the SBR designation via an Amendment on eMMA.

HELPFUL HINTS & TIPS (*NOTE)

1. OSBA and DGS OSP (for DGS OSP delegated procurements), or other agency control authority, will consider the following in determining whether to exempt or waive a procurement or secondary competition from being designated as an SBR procurement.
 - Approximately what percentage of vendors on the contract vehicle or in the functional area are eligible for SBR awards? The lower the percentage of vendors eligible for SBR awards, the more likely it is that a request for exemption from SBR will be granted.

- For secondary competition, how many master contractors can do the work and how many of those are eligible for SBR awards? Even if a term or master contract or functional area thereof has many vendors, the nature of the work might be such that only a few can actually accomplish it. If the agency can show that limiting the procurement to SBR would unreasonably affect competition, it is more likely that an exemption from SBR will be granted.
2. Procurement officers should include their email addresses when posting the solicitation in eMMA in order to send the eMMA notice with the direct solicitation email to all small businesses identified in the market research. Be sure to include the language provided to the QRG for registering to become a Certified Small Business (CSB) that is eligible for participation in the SBR Program.
 3. Procurement Officers can utilize the SBR Program Tab on the OSBA website - <https://gomdsmallbiz.maryland.gov/Pages/sbr-Program.aspx>
 4. Procurement Officers should provide the link to OSBA's [Training & Insights for Procurement Success](#) web page for information about a broad range of vendor training topics, including the SBR Program and becoming a certified small business.

DEFINITIONS

Certified Small Business. A small business that has registered and is certified through eMMA and identified as a vendor in the Certified Small Business Directory and as defined in COMAR 21.11.01.01B(1).

Indefinite Quantity (IDQ) Contract. A contract for an indefinite amount of goods or labor to be furnished at specified times, or as ordered, that establishes unit prices of a fixed-price type. (COMAR 21.06.03.06)

Master Contract. A set of master contractor agreement awards in which only those master contractors with awards in that set may compete for secondary competition awards for a specific type of service, supply, or commodity. (COMAR 21.05.13.01)

Noncompetitive Negotiated Procurement of Human, Social, or Educational Services. The procurement is for human, social, or educational services to be provided directly to individuals with disabilities, individuals who are aged, indigent, disadvantaged, unemployed, mentally or physically ill, or displaced or minors. (SFP 13-106; COMAR 21.05.12.04) Examples include group foster care services for children or adults, residential rehabilitation services, therapeutic group home services for children and adolescents, or community rehabilitation services.

Secondary Competition. A procurement process in which only approved master contractors may compete to provide the services, supplies, or commodities under the procurement. (COMAR 21.05.13.01) Secondary competition is solicited in one of three forms, as defined for use in a given Master Contract: (1) Task Order Request for Proposal (TORFP); (2) Purchase Order Request for Proposal (PORFP); or (3) Request for Resumes (RFR).

Statewide Contract. A contract for goods or services procured by a control agency on behalf of the entire State of Maryland to obtain economies of scale in pricing or other value to the State. Purchases are made directly by the using agencies or entities.

Term Contract. A standing blanket order agreement between contractor and the State covering a specific time period through which the State may obtain a specified or unspecified amount of a supply, service, or maintenance. [COMAR 21.01.02(90)] Examples include office supplies and MRO purchases.