

COUNTY OF ERIE

LOCAL LAW NO. 7-1-2026

LOCAL LAW INTRO. _____-2026

THE ERIE COUNTY SMALL BUSINESS ENTERPRISE UTILIZATION ACT

A Local Law to encourage Small Business Utilization within the County of Erie.

BE IT ENACTED BY THE ERIE COUNTY LEGISLATURE AS FOLLOWS:

Section 1. Legislative Findings and Intent.

There are approximately 21,000 small businesses in the County of Erie ("County") with forty-nine employees or less that are not often represented on County procurements of goods and commodities, as well as professional services. The County is committed to supporting small businesses within our community. Engagement of small and locally-owned businesses in government procurement directly and indirectly benefits our community by increasing the potential number of bidders and removing barriers such as the size of the project. When we support our small business community, we ultimately increase competitiveness on smaller projects and help businesses develop capacity to one day be able to bid on mid to large-size projects.

Most small businesses are local businesses, meaning they conduct most of their business activity in one geographic market, and are typically owned by those with ties to that region. Spending with a local business retains and recirculates money and economic activity within the community, as opposed to extracting money to a location outside the local marketplace.ⁱ These recirculated dollars compound their impact: paying local workers' wages, paying local vendors, paying local taxes and fees, investing money into their business within the community. Academic and policy group analyses estimate the local multiplier from anywhere between 1.4 – 2.5, meaning for every dollar spent with a local business, that dollar generates \$1.40 - \$2.50 in broader economic activity.^{ii iii iv} Conversely, spending with a larger, non-locally based business generates a multiplier of 1.14.

Socioeconomic Stability is another factor that relates to the foundations on which the local multiplier and velocity of money rest, and what would happen in the absence of those processes. If a small business closes, that leads to a host of negative social and economic consequences: physical blight, unemployment, loss of tax revenue, loss of ancillary and compounding spending, discussed earlier, etc. Contracts with larger firms, which often take money out of the local community and economy, do not provide as much social and economic structure to a given region.^v Additionally, lack of business to a larger firm is more easily absorbed across their multiple projects and business units, and is less detrimental to employees or the firm's overall health. An inability to access contracts for small firms is more detrimental. A loss of even small or medium-sized business opportunities is much more likely to result in layoffs or business closure.

The ability to support small businesses through County contracts must also be balanced against the County's bidding requirements found within New York State law. Specifically, New York State General Municipal Law ("GML") §§103 and 104 require municipalities to publicly advertise, open bids and award certain contracts to the lowest responsible bidder. GML §103 states that all contracts for public work involving an expenditure of \$35,000 or more and all purchase contracts involving an expenditure of \$20,000 or more must be awarded to the lowest responsible bidder. Municipalities are further required to implement a purchasing policy in order to ensure fair competition and prevent against fraud or favoritism for all contracts, including those not bound by the bidding requirements in GML §103. *NYS GML §104-B*.

The County's Purchasing Policies and Procedures ("Purchasing Policy") are implemented pursuant to NYS GML §104-B. The Purchasing Policy establishes a process whereby discretionary purchases, those below the statutorily established thresholds and at the discretion of the County, may be made without a formal competitive bidding process. The use of discretionary purchasing streamlines the procurement process and allows for opportunities to award contract dollars to minority owned businesses, women owned businesses and service-disabled veteran own businesses. Similarly, discretionary purchasing can also improve opportunities for Erie County small businesses.

This local law intends to support small local businesses, strengthen the local economy and further develop the County's tax base. Opportunities for small locally-owned businesses to be awarded County contract dollars will have a stronger impact on the well-being of Erie County, with direct and ancillary benefits to both the business community and residents.

Section 2. Definitions

For the purposes of this local law, the term "Erie County Small Business Enterprise" ("ECSBE") shall mean a business which (1) performs a commercially-useful function; (2) has a principal place of business physically located within the boundaries of Erie County (not a PO Box); (3) is not in any way affiliated with a franchise; (4) employs from zero up to and including forty-nine employees, including sole proprietorships and (5) has a gross annual revenue of not more than \$5,000,000.

Section 3. Applicability

A. The following types of solicitations prepared or administered by the County, that are not otherwise subject to New York State General Municipal Law §103 or any other local or state bidding requirements, shall be applicable to this local law:

1. Purchases for commodities, equipment, supplies, materials and services, other than those services deemed to be professional services by the County, equal to or less than \$20,000; and
2. Purchases that are defined as public works projects equal to or less than \$35,000.

- B. Contracts for professional, technical or other consultant services having a value of \$10,000 or more and are procured by the use of Requests for Proposals (RFP).

Section 4. Erie County Small Business Enterprise Utilization Commitment

- A. Bid solicitations for purchases of commodities, equipment, supplies, materials and services not deemed to be professional services, between \$5,000 and \$20,000, shall be posted by the Director of Purchasing or his or her agent on the Erie County Purchasing website for **no less than 3** business days. If an ECSBE is within 5% of the lowest responsible bidder, the ECSBE can be awarded the contract.
- B. Bid solicitations for public works projects between \$5,000 and \$35,000, shall be posted by the Director of Purchasing or his or her agent on the Erie County Purchasing website for **no less than 3** business days. If an ECSBE is within 5% of the lowest responsible bidder, the ECSBE can be awarded the contract.
- C. All other purchases should follow the County of Erie's Purchasing Policies and Procedures adopted pursuant to General Municipal Law §104-b.
- D. Contracts for professional, technical or other consultant services having a value of \$10,000 or more are procured by the use of Requests for Proposals (RFP). In those instances, when scoring proposals, an additional five percent (5%) shall be applied to the tallied score of each certified ECSBE to obtain their final score. If the final score of any ECSBE matches the final score of a non-ECSBE, preference shall be given to the certified ECSBE. If two or more ECSBEs have the same final score, the County shall determine the contract award based on the County's best interest. The scoring committee for the underlying project shall be required to document their findings.
- E. ECSBEs shall be required to submit proof with their bid or RFP response that they meet the definition of a ECSBE described in Section 2 herein. In the event that a bid or response does not include a proper certification at the time of submission, the bid or proposal shall not be scored as an ECSBE.
- F. Erie County Small Business Enterprise Exemptions

In addition to those contracts of the types and amounts covered under New York State General Municipal Law §103, the ECSBE consideration shall not apply under the following circumstances:

- Specific state or federally funded projects where prohibited by law or regulations;
- Sole Source contracts; or
- Emergency contract as defined by NYS GML and Erie County Purchasing Policies and Procedures.

Section 5. Rules and Regulations

The Commissioner of the Equal Employment Opportunity (“EEO”) in conjunction with the County Attorney’s Office, shall promulgate such rules and regulations that are lawful, necessary and appropriate to implement, enforce or otherwise carry out the purposes of this local Law and shall file a copy of the Rules and Regulations with the Clerk of the County Legislature within sixty (60) calendar days of the effective date of the law.

Section 6. Severability

If any clause, sentence, paragraph, subdivision, section or part of this law or the application thereof to any person, individual, corporation, firm, partnership, or business shall be adjudged by any court of competent jurisdiction to be invalid or unconstitutional, such order or judgment shall not affect, impair or invalidate the remainder thereof but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part of this law, or in its specific application.

Section 7. Effective Date

This local law shall take effect twenty days after it is filed as provided in section twenty-seven of the New York State Municipal Home Rule Law.

Sponsors:

Taisha St. Jean Tard

ⁱ Thulin, Per. 2015. “Local Multiplier and Economic Base Analysis.” Pp. 213-233 in *Handbook of Research Methods and Applications in Economic Geography*, edited by C. Karlsson, M. Andersson, and T. Norman. Cheltenham, UK: Edward Elgar Publishing. <https://doi.org/10.4337/9780857932679>

ⁱⁱ Haynes, Monica. 2021. “The Economic Impact of Shopping Local.” University of Minnesota, Duluth: Bureau of Business and Economic Research. <https://lsbe.d.umn.edu/articles/shop-local>

ⁱⁱⁱ Robinson, Nandi and Rex L. LaMore. 2010. “Why Buy Local? An Assessment of the Economic Advantages of Shopping at Locally Owned Businesses.” Michigan State University Center for Community and Economic Development. <https://ced.msu.edu/upload/reports/why%20buy%20local.pdf>

^{iv} American Independent Business Alliance. 2025. “The Local Multiplier Effect: How Independent Locally Owned Businesses Help Your Community Thrive.” <https://amiba.net/local-multiplier/>

^v Siemens, Lynne. 2019. “Strengthening and sustaining a community through reciprocal support between local businesses and the community.” *Journal of Enterprising Communities: People and Places in the Global Economy* 13 (5): 668–680. <https://doi.org/10.1108/JEC-09-2018-0060>