

HOUSE BILL REPORT

HB 1648

As Reported by House Committee On:
State Government & Tribal Affairs

Title: An act relating to state contracts with veteran-owned businesses.

Brief Description: Increasing state contracts with veteran-owned businesses.

Sponsors: Representatives Hope, Liias, O'Brien, Rodne, Haler, Priest, Kelley, Smith and Morrell.

Brief History:

Committee Activity:

State Government & Tribal Affairs: 2/3/09 [DP].

Brief Summary of Bill

- Encourages state agencies to award 3 percent of procurement contracts to certified veteran-owned businesses.
- Requires the Department of Veterans Affairs to certify veteran-owned businesses and to collaborate with and assist agencies in implementing outreach to veteran-owned businesses.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL AFFAIRS

Majority Report: Do pass. Signed by 8 members: Representatives Hunt, Chair; Appleton, Vice Chair; Armstrong, Ranking Minority Member; Alexander, Flannigan, Hurst, Miloscia and Newhouse.

Staff: Marsha Reilly (786-7135)

Background:

State law provides for various programs or procedures to enable women and minorities to effectively compete for contracts or services. For example, when agencies make purchases of goods and services that require solicitation of quotes from the vendor list maintained by the Department of General Administration (GA), quotes must be secured from certified minority and women-owned vendors. In addition, state agencies are required to have plans to

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increase the participation of certified minority and women-owned businesses in public contracts for goods and services and public works.

In 2007 the Legislature enacted a bill requiring the Department of Veterans Affairs (DVA) to develop and maintain a list of veteran-owned businesses and to make that list available on the DVA website. The DVA also is required to create a decal to identify a business as veteran-owned and distribute the decals to veteran-owned businesses. To qualify as a veteran-owned business, the business must be 51 percent owned and controlled by a veteran or an active or reserve member in any branch of the armed forces of the United States, including the National Guard, Coast Guard, and Armed Forces Reserves.

Summary of Bill:

State agencies are encouraged to award 3 percent of certain contracts of purchases, and contracts for personal services, public works, and leasing or renting to certified veteran-owned businesses. State agencies must perform outreach to veteran-owned businesses, keep records of contracts awarded to those businesses, and report to the DVA by October 2010, and every two years thereafter, on progress made in implementing the requirements of the act.

The GA must include the DVA-certified, veteran-owned businesses in its vendor registry for state agency purchasing.

Agency plans to ensure that minority and women-owned firms have the maximum practicable opportunity to compete for and obtain contracts for architectural and engineering services are extended to include veteran-owned businesses. The Department of Transportation is required to include veteran contractors in bids and awards of contracts for the performance of work or furnishing equipment, materials, supplies, or operating services whenever the estimated cost of the work does not exceed \$100,000.

The DVA is required to develop a procedure to certify veteran-owned businesses, maintain a list of veteran-owned businesses on its public website, adopt rules for the program, and report to the Legislature by December 1, 2010, and each even-numbered year thereafter, on implementation of the act. The DVA also is directed to collaborate with and assist agencies in implementing outreach to veteran-owned businesses.

The act is not intended to create a cause of action or entitlement in an individual or class of individuals.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The bill asks agencies to reach out to veteran-owned businesses and encourages the award of non-competitive contracts to veteran-owned businesses. Deployments cause economic struggles for veterans and their families. This is an opportunity to give back to those who have served.

The DVA supports the bill. Washington is a great state for veterans. Many things have been done to help veterans in this state. There is a registry that the DVA maintains of veteran-owned businesses. Last year, the Legislature enacted a bill to allow veterans to access linked deposit funds. The bill before you has been heard in two previous sessions. The difference here is that agencies are asked to set a goal of awarding 3 percent of contracts to veterans. There are currently 430 veteran-owned businesses on the registry and there are probably five times that number that have not registered. The Veterans Legislative Coalition wholeheartedly supports the bill.

(Opposed) None.

Persons Testifying: Representative Hope, prime sponsor; John Lee, Washington State Department of Veterans Affairs; and Ted Wicorek, Veterans Legislative Coalition.

Persons Signed In To Testify But Not Testifying: None.