

SENATE BILL REPORT

SB 5762

As of February 18, 2019

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

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

Sponsors: Senators Hasegawa, Conway and O'Ban.

Brief History:

Committee Activity: State Government, Tribal Relations & Elections: 2/15/19.

Brief Summary of Bill

- Encourages state agencies to award 3 percent of all public works and procurement of goods and services to certified veteran-owned businesses.

SENATE COMMITTEE ON STATE GOVERNMENT, TRIBAL RELATIONS & ELECTIONS

Staff: Melissa Van Gorkom (786-7491)

Background: State agencies must use a competitive bidding process when contracting for public works or purchasing goods and services. Agencies must perform a public solicitation for bidders and award contracts to the lowest responsible bidder, with few exceptions. One exception is a direct buy purchase which authorizes an agency to purchase goods and services directly from a vendor without competition if the purchase is under a certain cost.

In 2010, the Legislature developed a statewide program to increase state procurement contracts with 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. Under the program state agencies:

- are encouraged to award 3 percent of direct buy purchases to veteran-owned businesses;
- must perform outreach to veteran-owned businesses to increase opportunities for veterans to provide goods and services to the state; and

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- must work to match agency procurement records with the Department of Veterans Affairs (DVA) database of certified veteran-owned businesses to establish how many procurement contracts are being awarded to those businesses.

DVA develops and maintains a list of veteran-owned businesses on the DVA website. Department of Enterprise Services must identify DVA-certified veteran owned businesses in its vendor registry for state agency purchasing.

Summary of Bill: State agencies are encouraged to award 3 percent of all public works and procurement of goods and services to certified veteran-owned businesses.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: The bill encourages state agencies to award 3 percent of procurement of goods and services to veterans owned businesses. Agency financial systems do not track direct buy purchases in the same way that they track other purchases and so changing this to apply to all purchases will allow agencies to better track their spend and determine how well they are doing in meeting the 3 percent goal.

Persons Testifying: PRO: Senator Bob Hasegawa, Prime Sponsor; Heidi Audette, Washington Department of Veterans Affairs.

Persons Signed In To Testify But Not Testifying: No one.