

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 14-0351.01 Nicole Myers x4326

HOUSE BILL 14-1016

HOUSE SPONSORSHIP

Ryden and Gardner, Kagan, May, McCann, Williams

SENATE SPONSORSHIP

Todd and Grantham,

House Committees

Business, Labor, Economic, & Workforce Development

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE DELIVERY OF PROCUREMENT TECHNICAL
102 ASSISTANCE SERVICES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/bills summaries>.)

The procurement technical assistance program in Colorado is a public-private partnership that provides procurement assistance to businesses throughout the state. The procurement technical assistance program has a target budget of \$800,000 per year, of which 50% is provided by the state and donations obtained by an organization that

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

provides procurement technical assistance (qualified entity) and 50% is provided by the federal government.

The bill specifies how the public-private partnership will operate beginning in September 2014. Specifically, the bill requires the Colorado office of economic development (office) to enter into a contract with one or more qualified entities for up to 6 years to provide procurement technical assistance to businesses statewide.

The state and the qualified entity together have the goal of contributing \$400,000 annually to the procurement technical assistance program (state's investment). Of the amount of the state's investment, the state is prohibited from contributing more than 50% from the state general fund or from any other source of state moneys. The qualified entity is required to obtain, through gifts, grants, and donations, at least 50% of the state's investment. The contributions obtained by the qualified entity may be in-kind or cash donations, but certain amounts are required to be cash each year. The office is required to track the qualified entity's progress in raising the required amounts to the state's investment.

In addition, each year the qualified entity is required to provide procurement technical assistance to a minimum number of businesses, provide a minimum number of counseling hours to businesses, and sponsor or participate in a minimum number of events to inform the business community about the services that it provides. The qualified entity is required to submit a report of such activities to the office and the office is required to include the information in its annual report to the general assembly.

The bill requires the minority business office, the small business development center, and the qualified entity to enter into a memorandum of understanding to determine methods to align, track, and coordinate the programs offered by the three entities, to meet periodically, and to share locations where possible.

The bill creates the procurement technical assistance cash fund and requires the state treasurer to annually transfer \$220,000 from the general fund to the cash fund. If the qualified entity fails to obtain the required amount of in-kind and cash donations for any contract year, the office is required to return an amount equal to the amount of the shortfall to the general fund.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-48.5-120 as
3 follows:

4 **24-48.5-120. Procurement technical assistance program - fund**

1 **- legislative declaration - definitions. (1) Legislative declaration.**

2 (a) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES
3 THAT:

4 (I) COLORADO BUSINESSES NEED THE CAPABILITY AND CAPACITY
5 TO COMPETE FOR GOVERNMENT CONTRACTS AT THE FEDERAL, STATE, AND
6 LOCAL LEVELS;

7 (II) GOVERNMENT CONTRACTING, AT ALL LEVELS, IS A
8 COMPETITIVE AND COMPLEX PROCESS;

9 (III) A PROCUREMENT TECHNICAL ASSISTANCE PROGRAM OFFERS
10 EDUCATION, COUNSELING, AND TECHNICAL ASSISTANCE TO BUSINESSES TO
11 COMPETE FOR GOVERNMENT CONTRACTS; AND

12 (IV) THE FEDERAL GOVERNMENT WILL MATCH THE STATE'S
13 INVESTMENT IN A PROGRAM TO PROVIDE PROCUREMENT TECHNICAL
14 ASSISTANCE.

15 (b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

16 (I) THE CREATION OF A PROCUREMENT TECHNICAL ASSISTANCE
17 FUND AND OPERATING TERMS ARE NECESSARY TO ENSURE THAT THE STATE
18 PROCUREMENT TECHNICAL ASSISTANCE PROGRAM RECEIVES FEDERAL
19 MATCHING MONEYS AND PROVIDES EFFICIENT AND EFFECTIVE STATEWIDE
20 PROCUREMENT TECHNICAL ASSISTANCE RESOURCES TO COLORADO
21 BUSINESSES;

22 (II) THE PROCUREMENT TECHNICAL ASSISTANCE PROGRAM IN
23 COLORADO IS A PUBLIC-PRIVATE PARTNERSHIP WITH A TARGET BUDGET OF
24 AT LEAST EIGHT HUNDRED THOUSAND DOLLARS IN EACH CONTRACT YEAR
25 TO PROVIDE PROCUREMENT TECHNICAL ASSISTANCE TO BUSINESSES
26 THROUGHOUT THE STATE, OF WHICH FIFTY PERCENT IS PROVIDED THROUGH
27 THE STATE BY THE STATE'S INVESTMENT AND FIFTY PERCENT IS PROVIDED

1 BY THE FEDERAL GOVERNMENT; AND

2 (III) IT IS THE GENERAL ASSEMBLY'S INTENT THAT, IN EACH
3 CONTRACT YEAR, THE OFFICE AND THE QUALIFIED ENTITY TOGETHER
4 OBTAIN AT LEAST FOUR HUNDRED THOUSAND DOLLARS FOR THE STATE'S
5 INVESTMENT IN THE PROCUREMENT TECHNICAL ASSISTANCE PROGRAM,
6 WHICH WILL BE MATCHED BY THE FEDERAL GOVERNMENT AND SHALL BE
7 USED FOR THE PURPOSES OF THE PROGRAM.

8 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
9 OTHERWISE REQUIRES:

10 (a) "CONTRACT YEAR" MEANS ONE YEAR OF THE TERM OF THE
11 CONTRACT ENTERED INTO PURSUANT TO THIS SECTION.

12 (b) "MINORITY BUSINESS OFFICE" MEANS THE MINORITY BUSINESS
13 OFFICE CREATED IN SECTION 24-49.5-102.

14 (c) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
15 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

16 (d) "PROCUREMENT TECHNICAL ASSISTANCE PROGRAM" MEANS A
17 PROGRAM THAT PROVIDES, THROUGH A PROCUREMENT TECHNICAL
18 ASSISTANCE CENTER FUNDED IN PART WITH FEDERAL MONEYS,
19 GOVERNMENT PROCUREMENT CONSULTING SERVICES AT NO COST TO
20 CLIENTS WHO ARE RESPONDING TO GOVERNMENT CONTRACT
21 OPPORTUNITIES.

22 (e) "QUALIFIED ENTITY" MEANS ONE OR MORE ORGANIZATIONS
23 EXEMPT FROM TAXATION UNDER SECTION 501 (c) (3) OF THE FEDERAL
24 "INTERNAL REVENUE CODE OF 1986", AS AMENDED, THAT HAVE BEEN
25 DESIGNATED, BY THE FEDERAL DEFENSE LOGISTICS AGENCY, AS A FEDERAL
26 DEFENSE LOGISTICS AGENCY GRANTEE SERVING COLORADO FOR THE
27 PROCUREMENT TECHNICAL ASSISTANCE PROGRAM TO PROVIDE

1 PROCUREMENT TECHNICAL ASSISTANCE STATEWIDE. THE ORGANIZATIONS
2 SHALL HAVE NO OTHER MISSION OR DELIVERABLES THAT ARE NOT
3 CONSISTENT WITH FEDERAL ELIGIBILITY CRITERIA FOR THE PROCUREMENT
4 TECHNICAL ASSISTANCE PROGRAM.

5 (f) "SMALL BUSINESS DEVELOPMENT CENTER" MEANS THE SMALL
6 BUSINESS DEVELOPMENT CENTER BASED IN COLORADO, HOSTED BY THE
7 OFFICE, AND FUNDED JOINTLY BY THE STATE, THE FEDERAL SMALL
8 BUSINESS ADMINISTRATION, AND OTHER PRIVATE SOURCES.

9 (g) "STATE'S INVESTMENT" MEANS THE FUNDING FOR THE
10 PROCUREMENT TECHNICAL ASSISTANCE PROGRAM THAT IS FROM THE
11 STATE GENERAL FUND OR ANY OTHER SOURCE OF STATE MONEYS AND
12 FROM CASH AND IN-KIND DONATIONS OBTAINED BY THE QUALIFIED ENTITY
13 THROUGH GIFTS, GRANTS, AND DONATIONS.

14 (3) **Contract.** (a) ON OR BEFORE SEPTEMBER 15, 2014, THE
15 OFFICE SHALL ENTER INTO A CONTRACT WITH THE QUALIFIED ENTITY OR
16 ENTITIES THAT WERE SELECTED BY THE FEDERAL DEFENSE LOGISTICS
17 AGENCY TO PROVIDE PROCUREMENT TECHNICAL ASSISTANCE STATEWIDE.
18 THE CONTRACT TERM AND REQUIREMENTS SHALL BE IN EFFECT FOR UP TO
19 SIX YEARS AND SHALL ALIGN WITH THE FEDERAL DEFENSE LOGISTICS
20 AGENCY REQUIREMENTS FOR SUCH CONTRACT.

21 (b) THE CONTRACT REQUIRED PURSUANT TO THIS SECTION IS
22 EXEMPT FROM THE REQUIREMENTS OF THE "PROCUREMENT CODE",
23 ARTICLES 101 TO 112 OF THIS TITLE.

24 (4) **State's investment.** (a) IT IS THE GENERAL ASSEMBLY'S
25 INTENT THAT IN EACH CONTRACT YEAR, THE OFFICE AND THE QUALIFIED
26 ENTITY OBTAIN AT LEAST FOUR HUNDRED THOUSAND DOLLARS FOR THE
27 STATE'S INVESTMENT IN THE PROCUREMENT TECHNICAL ASSISTANCE

1 PROGRAM, WHICH WILL BE MATCHED BY THE FEDERAL GOVERNMENT AND
2 SHALL BE USED FOR THE PURPOSES OF THE PROGRAM.

3 (b) IN EACH CONTRACT YEAR, THE STATE, THROUGH THE OFFICE,
4 SHALL CONTRIBUTE THE LESSER OF THE QUALIFIED ENTITY'S
5 CONTRIBUTION TO THE PREVIOUS CONTRACT YEAR'S STATE'S INVESTMENT
6 OR TWO HUNDRED THOUSAND DOLLARS TO THE TOTAL AMOUNT OF THE
7 STATE'S INVESTMENT IN THE PROCUREMENT TECHNICAL ASSISTANCE
8 PROGRAM FOR THE THEN-CURRENT CONTRACT YEAR. THEREFORE, THE
9 GENERAL ASSEMBLY SHALL PROVIDE NOT MORE THAN TWO HUNDRED
10 THOUSAND DOLLARS FROM THE STATE GENERAL FUND OR FROM ANY
11 OTHER SOURCE OF STATE MONEYS IN EACH CONTRACT YEAR.

12 (c) (I) THE QUALIFIED ENTITY SHALL CONTRIBUTE AT LEAST FIFTY
13 PERCENT TO THE TOTAL AMOUNT OF THE STATE'S INVESTMENT.
14 THEREFORE, THE QUALIFIED ENTITY SHALL OBTAIN, THROUGH THE
15 SOLICITATION OF GIFTS, GRANTS, AND DONATIONS, AT LEAST TWO
16 HUNDRED THOUSAND DOLLARS IN EACH CONTRACT YEAR.

17 (II) THE GIFTS, GRANTS, OR DONATIONS THAT THE QUALIFIED
18 ENTITY OBTAINS MAY BE COMPRISED OF BOTH CASH AND IN-KIND
19 CONTRIBUTIONS; EXCEPT THAT, OF THE TWO HUNDRED THOUSAND
20 DOLLARS THAT THE QUALIFIED ENTITY IS REQUIRED TO OBTAIN IN EACH
21 CONTRACT YEAR, AT LEAST THE FOLLOWING PERCENTAGES SHALL BE IN
22 THE FORM OF CASH:

23 (A) FOR THE FIRST CONTRACT YEAR, AT LEAST FIFTEEN PERCENT;

24 (B) FOR THE SECOND CONTRACT YEAR, AT LEAST TWENTY
25 PERCENT; AND

26 (C) FOR THE THIRD THROUGH SIXTH CONTRACT YEARS, AT LEAST
27 TWENTY-FIVE PERCENT.

1 (III) IF, IN ANY CONTRACT YEAR, THE QUALIFIED ENTITY OBTAINS
2 MORE THAN THE MINIMUM REQUIRED PERCENTAGE OF CASH
3 CONTRIBUTIONS FOR THE APPLICABLE CONTRACT YEAR, THE QUALIFIED
4 ENTITY MAY APPLY THE EXCESS CASH TO THE MINIMUM REQUIRED CASH
5 CONTRIBUTION FOR THE NEXT CONTRACT YEAR.

6 (d) (I) BY NOVEMBER 1 OF EACH CONTRACT YEAR, THE OFFICE
7 SHALL DETERMINE WHETHER THE QUALIFIED ENTITY OBTAINED AT LEAST
8 TWO HUNDRED THOUSAND DOLLARS IN GIFTS, GRANTS, OR DONATIONS
9 AND THE MINIMUM REQUIRED CASH CONTRIBUTION AS SPECIFIED IN
10 PARAGRAPH (c) OF THIS SUBSECTION (4) FOR THE PREVIOUS CONTRACT
11 YEAR. IF THE OFFICE DETERMINES THAT THE QUALIFIED ENTITY FAILED TO
12 OBTAIN THE TOTAL REQUIRED AMOUNT OF GIFTS, GRANTS, AND
13 DONATIONS AND THE MINIMUM REQUIRED CASH CONTRIBUTION FOR THE
14 PREVIOUS CONTRACT YEAR, THE OFFICE SHALL NOTIFY THE STATE
15 TREASURER, AND THE STATE TREASURER SHALL TRANSFER AN AMOUNT
16 EQUAL TO THE AMOUNT OF THE SHORTFALL FROM THE MONEYS THAT THE
17 STATE TREASURER TRANSFERRED TO THE PROCUREMENT TECHNICAL
18 ASSISTANCE FUND PURSUANT TO PARAGRAPH (a) OF SUBSECTION (8) OF
19 THIS SECTION FOR THE THEN-CURRENT CONTRACT YEAR TO THE GENERAL
20 FUND.

21 (II) THE OFFICE SHALL ENSURE THAT BY DECEMBER 1 OF THE
22 THIRD CONTRACT YEAR, THE QUALIFIED ENTITY IS PROJECTED TO PROVIDE
23 AT LEAST A CUMULATIVE AMOUNT OF SIX HUNDRED THOUSAND DOLLARS
24 OF THE STATE'S INVESTMENT FOR THE FIRST THROUGH THIRD CONTRACT
25 YEARS, OF WHICH AMOUNT AT LEAST ONE HUNDRED TWENTY THOUSAND
26 DOLLARS IS IN THE FORM OF CASH. IF, BASED ON THE OFFICE'S REVIEW, THE
27 QUALIFIED ENTITY IS NOT PROJECTED TO SATISFY SUCH REQUIREMENTS,

1 THE OFFICE SHALL NOTIFY THE MEMBERS OF THE HOUSE OF
2 REPRESENTATIVES AND SENATE COMMITTEES WITH JURISDICTION OVER
3 BUSINESS ISSUES, AND THE GENERAL ASSEMBLY MAY DETERMINE
4 WHETHER TO CONTINUE THE ANNUAL APPROPRIATION TO THE OFFICE FOR
5 THE PURPOSES OF THE PROCUREMENT TECHNICAL ASSISTANCE PROGRAM.

6 (5) **Qualified entity's contract requirements.** (a) IN ADDITION
7 TO THE MINIMUM AMOUNT THAT THE QUALIFIED ENTITY IS REQUIRED TO
8 CONTRIBUTE TO THE STATE'S INVESTMENT IN EACH CONTRACT YEAR, THE
9 QUALIFIED ENTITY IS REQUIRED TO PERFORM THE FOLLOWING IN EACH
10 CONTRACT YEAR:

11 (I) PROVIDE PROCUREMENT TECHNICAL ASSISTANCE TO AT LEAST
12 ONE HUNDRED BUSINESSES THAT ARE EITHER NEW OR ACTIVE CLIENTS OF
13 THE QUALIFIED ENTITY;

14 (II) PROVIDE PROCUREMENT TECHNICAL ASSISTANCE IN THE FORM
15 OF COUNSELING TO BUSINESSES FOR AT LEAST ONE THOUSAND FIVE
16 HUNDRED HOURS; AND

17 (III) SPONSOR OR PARTICIPATE IN AT LEAST SIXTY-FIVE EVENTS TO
18 INFORM THE BUSINESS COMMUNITY OF THE SERVICES AND ASSISTANCE
19 THAT THE PROCUREMENT TECHNICAL ASSISTANCE PROGRAM PROVIDES.

20 (b) ON OR BEFORE OCTOBER 1 OF EACH CONTRACT YEAR, THE
21 QUALIFIED ENTITY SHALL REPORT THE FOLLOWING INFORMATION TO THE
22 OFFICE:

23 (I) THE NUMBER OF NEW AND ACTIVE BUSINESSES THAT THE
24 QUALIFIED ENTITY SERVED, THE NUMBER OF COUNSELING HOURS IT
25 PROVIDED, AND THE NUMBER OF EVENTS THAT IT ATTENDED DURING THE
26 PRIOR CONTRACT YEAR;

27 (II) WHETHER THE QUALIFIED ENTITY OBTAINED AT LEAST TWO

1 HUNDRED THOUSAND DOLLARS IN GIFTS, GRANTS, OR DONATIONS TOWARD
2 ITS SHARE OF THE TOTAL STATE'S INVESTMENT DURING THE PRIOR
3 CONTRACT YEAR, WHETHER THE QUALIFIED ENTITY OBTAINED THE
4 REQUIRED MINIMUM AMOUNT OF SUCH CONTRIBUTIONS IN CASH PURSUANT
5 TO SUBPARAGRAPH (II) OF PARAGRAPH (c) OF SUBSECTION (4) OF THIS
6 SECTION, AND WHAT PORTION OF THE GIFTS, GRANTS, AND DONATIONS THE
7 QUALIFIED ENTITY USED DURING THE PRIOR CONTRACT YEAR; AND

8 (III) ANY OTHER INFORMATION REQUESTED BY THE OFFICE.

9 (6) **Reporting.** IN EACH CONTRACT YEAR, THE OFFICE SHALL
10 INCLUDE IN THE ANNUAL REPORT SUBMITTED TO THE GENERAL ASSEMBLY
11 PURSUANT TO SECTION 24-48.5-101 (7) THE INFORMATION THAT THE
12 QUALIFIED ENTITY PROVIDED TO THE OFFICE PURSUANT TO PARAGRAPH (b)
13 OF SUBSECTION (5) OF THIS SECTION.

14 (7) **Memorandum of understanding.** THE MINORITY BUSINESS
15 OFFICE, THE SMALL BUSINESS DEVELOPMENT CENTER, AND THE QUALIFIED
16 ENTITY SHALL ENTER INTO A MEMORANDUM OF UNDERSTANDING TO
17 ADDRESS THE FOLLOWING ISSUES IN CONNECTION WITH THE PROCUREMENT
18 TECHNICAL ASSISTANCE PROGRAM:

19 (a) THE NATURE AND DELIVERY OF THE PROGRAMS AND SERVICES
20 THAT WILL BE OFFERED BY THE QUALIFIED ENTITY THROUGH THE
21 PROCUREMENT TECHNICAL ASSISTANCE PROGRAM AND THE METHOD BY
22 WHICH THOSE PROGRAMS WILL BE ALIGNED WITH THE PROGRAMS OFFERED
23 BY THE SMALL BUSINESS DEVELOPMENT CENTER AND THE MINORITY
24 BUSINESS OFFICE;

25 (b) A SCHEDULE FOR PERIODIC MEETINGS BETWEEN THE
26 DIRECTORS OF THE QUALIFIED ENTITY, THE SMALL BUSINESS
27 DEVELOPMENT CENTER, THE MINORITY BUSINESS OFFICE, AND ANY OTHER

1 RELEVANT ENTITIES WITHIN THE OFFICE AT THE STATE AND REGIONAL
2 LEVELS;

3 (c) A METHOD FOR TRACKING THE CROSS-REFERRAL OF CLIENTS
4 BETWEEN THE QUALIFIED ENTITY, THE SMALL BUSINESS DEVELOPMENT
5 CENTER, AND THE MINORITY BUSINESS OFFICE;

6 (d) A METHOD FOR COORDINATING AND ORGANIZING THE JOINT
7 PARTICIPATION OF THE QUALIFIED ENTITY, THE SMALL BUSINESS
8 DEVELOPMENT CENTER, AND THE MINORITY BUSINESS OFFICE AT
9 OUTREACH EVENTS AND THROUGH OTHER MARKETING OPPORTUNITIES;

10 (e) A PLAN FOR THE QUALIFIED ENTITY, THE SMALL BUSINESS
11 DEVELOPMENT CENTER, AND THE MINORITY BUSINESS OFFICE TO SHARE
12 LOCATIONS, WHERE POSSIBLE, THROUGHOUT COLORADO; AND

13 (f) ANYTHING ELSE DEEMED NECESSARY AND APPROPRIATE BY THE
14 QUALIFIED ENTITY, THE SMALL BUSINESS DEVELOPMENT CENTER, AND THE
15 MINORITY BUSINESS OFFICE.

16 (8) **Fund.** (a) THE PROCUREMENT TECHNICAL ASSISTANCE CASH
17 FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF:

18 (I) TWO HUNDRED TWENTY THOUSAND DOLLARS THAT THE STATE
19 TREASURER IS REQUIRED TO TRANSFER FROM THE GENERAL FUND TO THE
20 FUND ON JULY 1, 2014, AND JULY 1 OF THE NEXT FIVE YEARS THEREAFTER;
21 AND

22 (II) ANY MONEYS THAT THE GENERAL ASSEMBLY APPROPRIATES
23 TO THE FUND.

24 (b) TO ALLOW ALIGNMENT BETWEEN STATE AND FEDERAL FISCAL
25 YEARS, THE MONEYS IN THE FUND ARE CONTINUOUSLY APPROPRIATED TO
26 THE OFFICE TO BE USED FOR THE PROCUREMENT TECHNICAL ASSISTANCE
27 PROGRAM. THE OFFICE MAY USE THE MONEYS IN THE FUND TO PAY FOR

1 THE COSTS OF ADMINISTERING THE PROCUREMENT TECHNICAL ASSISTANCE
2 PROGRAM; EXCEPT THAT THE OFFICE'S ADMINISTRATIVE EXPENSES FOR THE
3 PROGRAM IN A FISCAL YEAR SHALL NOT EXCEED NINE PERCENT OF THE
4 MONEYS TRANSFERRED TO THE FUND IN A FISCAL YEAR PURSUANT TO
5 SUBPARAGRAPH (I) OF PARAGRAPH (a) OF THIS SUBSECTION (8).

6 (c) ALL INTEREST AND INCOME DERIVED FROM THE INVESTMENT
7 AND DEPOSIT OF MONEYS IN THE FUND ARE CREDITED TO THE FUND. ANY
8 UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE FUND AT
9 THE END OF A FISCAL YEAR SHALL NOT BE CREDITED OR TRANSFERRED TO
10 THE GENERAL FUND OR ANOTHER FUND.

11 (d) THE TRANSFERS TO THE FUND FROM THE GENERAL FUND
12 MONEYS THAT ARE REQUIRED BY SUBPARAGRAPH (I) OF PARAGRAPH (a)
13 OF THIS SUBSECTION (8) MUST BE INCLUDED FOR INFORMATIONAL
14 PURPOSES IN THE ANNUAL GENERAL APPROPRIATION ACT.

15 **SECTION 2. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, and safety.