

Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 14-0136.01 Nicole Myers x4326

HOUSE BILL 14-1224

HOUSE SPONSORSHIP

Gardner,

SENATE SPONSORSHIP

Herpin,

House Committees

State, Veterans, & Military Affairs

Senate Committees

State, Veterans, & Military Affairs

A BILL FOR AN ACT

101 **CONCERNING A SET ASIDE GOAL IN STATE PROCUREMENT FOR**
102 **SERVICE-DISABLED VETERAN OWNED SMALL BUSINESSES.**

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/billsummaries>.)

The bill establishes a goal that, in awarding contracts that are subject to the "Procurement Code", each state agency will award at least 3% of all contracts by dollar value to service-disabled veteran owned small businesses. To satisfy this goal, a state agency may grant a preference, either by evaluation or by allowing a set aside, for

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.

SENATE
3rd Reading Unamended
March 12, 2014

SENATE
2nd Reading Unamended
March 10, 2014

HOUSE
3rd Reading Unamended
February 21, 2014

HOUSE
Amended 2nd Reading
February 20, 2014

service-disabled veteran owned small businesses.

In awarding a contract to a business in furtherance of the 3% goal, a state agency is required to obtain verification from the business that the business is a certified service-disabled veteran owned small business by the United States department of veterans affairs.

The executive director of the department of personnel is required to submit an annual report regarding the state's progress in satisfying the 3% goal to the department of military and veterans affairs and to the committees of the house of representatives and the senate that have jurisdiction over state affairs and veterans affairs.

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

SECTION 1. In Colorado Revised Statutes, **add** 24-103-211 as follows:

24-103-211. Service-disabled veteran owned small businesses - state procurement set aside - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "SERVICE-DISABLED VETERAN OWNED SMALL BUSINESS" MEANS A BUSINESS THAT IS:

(I) INCORPORATED OR ORGANIZED IN THE STATE OR THAT IS MAINTAINING A PLACE OF BUSINESS OR OFFICE IN THE STATE; AND

(II) OFFICIALLY REGISTERED AND VERIFIED AS A SERVICE-DISABLED VETERAN OWNED SMALL BUSINESS BY THE CENTER FOR VETERANS ENTERPRISE WITHIN THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS.

(b) "STATE AGENCY" MEANS A PRINCIPAL DEPARTMENT OF THE EXECUTIVE BRANCH OF STATE GOVERNMENT AS SPECIFIED IN SECTION 24-1-110, INCLUDING ANY DIVISION, OFFICE, AGENCY, OR OTHER UNIT CREATED WITHIN A PRINCIPAL DEPARTMENT, INCLUDING INSTITUTIONS OF HIGHER EDUCATION AND THE COLORADO COMMISSION ON HIGHER EDUCATION; EXCEPT THAT "STATE AGENCY" DOES NOT INCLUDE THOSE

1 ENTITIES THAT HAVE ELECTED TO BE EXEMPT FROM THE CODE PURSUANT
2 TO SECTION 24-101-105 (1) (b).

3 (2) IN AWARDING ALL CONTRACTS THAT ARE SUBJECT TO THIS
4 CODE, THE STATE SHALL HAVE THE GOAL OF AWARDING AT LEAST THREE
5 PERCENT OF ALL SUCH CONTRACTS, BY DOLLAR VALUE, TO
6 SERVICE-DISABLED VETERAN OWNED SMALL BUSINESSES. TO SATISFY THIS
7 GOAL, A STATE AGENCY MAY GRANT A PREFERENCE FOR
8 SERVICE-DISABLED VETERAN OWNED SMALL BUSINESSES.

9 (3) WHEN A STATE AGENCY INTENDS TO AWARD A CONTRACT TO
10 A BUSINESS IN FURTHERANCE OF THE THREE PERCENT GOAL SPECIFIED IN
11 SUBSECTION (2) OF THIS SECTION, THE STATE AGENCY SHALL, PRIOR TO
12 AWARDING THE CONTRACT, REQUIRE THE BUSINESS TO SUBMIT TO THE
13 AGENCY DOCUMENTATION FROM THE UNITED STATES DEPARTMENT OF
14 VETERANS AFFAIRS THAT VERIFIES THAT THE BUSINESS IS A
15 SERVICE-DISABLED VETERAN OWNED SMALL BUSINESS.

16 (4) ON OR BEFORE SEPTEMBER 30, 2015, AND ON OR BEFORE
17 SEPTEMBER 30 EACH YEAR THEREAFTER, THE EXECUTIVE DIRECTOR SHALL
18 SUBMIT A REPORT REGARDING THE STATE'S PROGRESS IN SATISFYING THE
19 THREE PERCENT GOAL ESTABLISHED IN THIS SECTION TO THE DEPARTMENT
20 OF MILITARY AND VETERANS AFFAIRS, THE MEMBERS OF THE COLORADO
21 BOARD OF VETERANS AFFAIRS, AND TO THE MEMBERS OF THE COMMITTEES
22 OF THE HOUSE OF REPRESENTATIVES AND THE SENATE THAT HAVE
23 JURISDICTION OVER STATE AFFAIRS AND VETERANS AFFAIRS. THE REPORT
24 SHALL INCLUDE THE FOLLOWING:

25 (a) THE TOTAL NUMBER OF CONTRACTS THAT ALL STATE AGENCIES
26 AWARDED TO SERVICE-DISABLED VETERAN OWNED SMALL BUSINESSES IN
27 THE PRIOR FISCAL YEAR AND THE NUMBER OF SUCH CONTRACTS THAT

1 EACH STATE AGENCY AWARDED;

2 (b) THE TOTAL DOLLAR AMOUNT OF CONTRACTS THAT ALL STATE
3 AGENCIES AWARDED TO SERVICE-DISABLED VETERAN OWNED SMALL
4 BUSINESSES IN THE PRIOR FISCAL YEAR AND THE PERCENTAGE THAT SUCH
5 DOLLAR AMOUNT BEARS TO THE TOTAL DOLLAR AMOUNT OF CONTRACTS
6 AWARDED BY ALL STATE AGENCIES IN THE PRIOR FISCAL YEAR;

7 (c) THE TOTAL DOLLAR AMOUNT OF CONTRACTS THAT EACH STATE
8 AGENCY AWARDED TO SERVICE-DISABLED VETERAN OWNED SMALL
9 BUSINESSES IN THE PRIOR FISCAL YEAR AND THE PERCENTAGE THAT SUCH
10 DOLLAR AMOUNT BEARS TO THE TOTAL DOLLAR AMOUNT OF CONTRACTS
11 AWARDED BY THE STATE AGENCY IN THE PRIOR FISCAL YEAR; AND

12 (d) THE TOTAL NUMBER OF SERVICE-DISABLED VETERAN OWNED
13 SMALL BUSINESSES THAT RESPONDED TO SOLICITATION FOR BIDS OR
14 PROPOSALS ISSUED BY ALL STATE AGENCIES IN THE PRIOR FISCAL YEAR
15 AND THE TOTAL NUMBER OF SUCH BUSINESSES THAT RESPONDED TO
16 SOLICITATIONS FOR BIDS OR PROPOSALS ISSUED BY EACH STATE AGENCY.

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