SENATE BILL REPORT
SB 5041

As of January 23, 2009

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

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

Sponsors: Senators Kilmer, Swecker, Hobbs, Shin, Kauffman, Franklin, Marr, Rockefeller, Haugen, Eide, Kastama and McAuliffe; by request of Joint Committee on Veterans' and Military Affairs.

Brief History:
 Committee Activity: Government Operations & Elections: 1/27/09.

SENATE COMMITTEE ON GOVERNMENT OPERATIONS & ELECTIONS

 Staff: Edward Redmond (786-7471)

 Background: State agencies must use a competitive bidding process when purchasing goods and services. Agencies must perform a public solicitation for bidders and award contracts to the lowest responsible bidder. Agencies are authorized, however, to use an alternative process for contracts worth less than $35,000. With few exceptions, agencies must solicit three bids from venders on a list of pre-approved venders maintained by the Department of General Administration. For these contracts, an agency may consider other factors besides price and is not required to award the contract to the lowest bidder.

 The Office of Minority & Women's Business Enterprises (OMWBE), for example, assists small businesses in Washington owned by minorities, women, and the socially and economically disadvantaged. OMWBE's services include certifying minority and women-owned businesses, and collecting recorded information from state agencies. State agencies must report to OMWBE what percentage of their goods and services are purchased from minority and women-owned businesses.

 In 2007 the Legislature enacted a bill requiring the Department of Veterans Affairs (DVA) to develop and maintain a list of veteran-owned businesses on the DVA website. The purpose of the bill is to mitigate economic impacts incurred by veteran-owned businesses as a result of military service. 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

---

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

forces of the United States, including the National Guard, Coast Guard, and Armed Forces Reserves.

Summary of Bill: A statewide program is created to increase state procurement contracts with veteran-owned businesses. Agency duties to implement the program are as follows:

Department of Veterans Affairs (DVA). DVA must:
- certify veteran-owned businesses;
- maintain a list of certified veteran-owned businesses on its public website;
- collaborate with other state agencies in implementing outreach to veteran-owned businesses;
- collect information from state agencies tracking goods and services contracts awarded to veteran-owned businesses;
- adopt rules that include instructions to agencies on how to meet their reporting requirements; and
- report to the Legislature on the progress of the program by October 2010, and every two years thereafter.

Department of General Administration (GA). GA must identify DVA-certified veteran-owned businesses in its vendor registry for state agency purchasing.

All State Agencies. State agencies are encouraged to award 3 percent of all procurement contracts under $35,000 to veteran-owned businesses. In addition, state agencies must:
- perform outreach to veteran-owned businesses to increase opportunities for veterans to provide goods and services to the state;
- keep a record of purchasing contracts awarded to veteran-owned businesses; and
- report their progress in implementing the program to DVA every two years, beginning October 2010.

Appropriation: None.

Fiscal Note: Requested on January 19, 2009.

Committee/Commission/Task Force Created: No.

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