

Members

Rep. James Baird, Chairperson  
Rep. Rich McClain  
Rep. David Niezgodski  
Rep. Scott Reske  
Sen. Allen Paul  
Sen. Michael Delph  
Sen. Frank Mrvan  
Sen. Richard Young  
Lt. Gen. Carol Mutter  
Jerry Hogan  
Sergeant Klay South  
Carol L. Riley



# COMMISSION ON MILITARY AND VETERANS AFFAIRS

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Commission  
Allen Morford, Attorney for the Commission

Authority: IC 2-5-20

## MEETING MINUTES<sup>1</sup>

Meeting Date: September 11, 2012  
Meeting Time: 1:00 P.M.  
Meeting Place: State House, 200 W. Washington St.,  
House Chambers  
Meeting City: Indianapolis, Indiana  
Meeting Number: 2

**Members Present:** Rep. James Baird, Chairperson; Rep. David Niezgodski; Rep. Scott Reske; Sen. Michael Delph; Sen. Frank Mrvan; Lt. Gen. Carol Mutter; Jerry Hogan.

**Members Absent:** Rep. Rich McClain; Sen. Allen Paul; Sen. Richard Young; Sergeant Klay South; Carol L. Riley.

### I. Call to Order and Introductions.

**Chairman Baird** called the meeting to order at 1:00 PM. Chairman Baird took a moment to discuss the tragedy of the terrorist attacks of September 11, 2001, and asked for a moment of silence.

After the moment of silence, Chairman Baird asked **Representative Scott Reske** to discuss legislation (PD 3157) that would require county veteran service officers (CVSOs) to be certified by the Indiana Department of Veterans' Affairs (Exhibit 1). Representative Reske informed the Commission the bill is meant to address the high numbers of CVSOs who are not accredited by the federal Department of Veterans' Affairs and therefore cannot help veterans apply for benefits.

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<sup>1</sup> These minutes, exhibits, and other materials referenced in the minutes can be viewed electronically at <http://www.in.gov/legislative>. Hard copies can be obtained in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for hard copies may be mailed to the Legislative Information Center, Legislative Services Agency, West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for hard copies.

## **II. Presentation on Veterans Preference in State Contracting, Ms. Nicole Kenney, Indiana Department of Administration.**

**Ms. Nicole Kenney of the Indiana Department of Administration** provided Commission members with an updated report on veteran preferences in state contracting in other states (Exhibit 2 and Exhibit 3). Ms. Kenney explained the two major programs for providing veterans a preference in state contracting is through either a set-aside or a price preference program.

A set-aside program is where a certain amount of contracting dollars are specifically set aside for a targeted group (i.e., minority-owned, woman-owned, veteran-owned businesses). In a set-aside program, these targeted businesses only compete against other targeted businesses that submit a contract bid. Set-aside programs establish goals for contracting government entities. A 3% set-aside for veteran-owned businesses means 3% of all state expenditures on these contracts should be awarded to veteran-owned businesses.

A price preference program adjusts contract bids by a preestablished amount (normally a percent) to make targeted businesses more competitive with other businesses in the state-contracting application process. It should be noted a targeted business's bid is not actually reduced by the preference amount, but is treated as such for the purpose of awarding contracts to the lowest bidder. A price preference program does not guarantee targeted businesses receive state contracts, but makes the targeted business more competitive to receive a state contract.

Representative Reske asked Ms. Kenney if the Indiana Department of Administration had a preference for either a set-aside program or a price preference program in state contracting. Ms. Kenney responded the Indiana Department of Administration does not have a preference for either program and that there is currently a price preference program for Indiana small businesses. Ms. Kenney did inform the Commission a set-aside program would more effectively target veteran-owned businesses and help increase the number of veteran-owned businesses that obtain contracts with the state.

## **III. Presentation on State Contracting with Veteran-Owned Businesses, Captain Brian Stoddard.**

**Captain Brian Stoddard** informed the Commission of his struggles to find employment when he returned from serving in Operation Iraqi Freedom. He informed the Commission these struggles were what led to his desire to start his own business. Captain Stoddard informed the Commission he feels he would have been able to establish his business sooner if the state offered a procurement preference for veteran-owned business.

Captain Stoddard referenced federal Executive Order 13360 (Exhibit 4) and other independent research he performed to discuss the procurement preferences for veteran-owned businesses in other states, the federal government, and the city of Indianapolis. Captain Stoddard asked the Commission to consider a veteran procurement preference program that would help provide for those veterans who proudly served their nation.

Representative Reske asked if the state should also look at having a contracting preference for businesses that employ a large number of veterans as well as veteran-owned businesses. Captain Stoddard informed the Commission that he favors the idea of giving contracting preferences to businesses that employ a large number of veterans, but that implementing a preference program for veteran-owned businesses is needed now and can be expanded on later. Captain Stoddard also ensured the Commission that creating a price preference program for veteran-owned businesses would increase the number of employed veterans in the state as veterans are more likely to employ veterans compared to other nonveteran-owned businesses.

Lt. General Mutter asked Ms. Kenney what preferences in state contracting women- and minority-owned businesses have in the state that veterans currently do not have. Ms. Kenney informed the Commission that currently the state has a preference program for minority-owned and women-owned businesses but that these preferences only applied to subcontracting with contractors who currently maintain a contract with the state. Currently, there are no price preferences for minority-, women-, or veteran-owned businesses for contracting with the state, only a price preference for Indiana small businesses.

**Senator Michael Delph** thanked Ms. Kenney and Captain Stoddard for their testimony. Senator Delph commented that the information shows that the state is not doing enough to help veteran-owned businesses compared to other states. Senator Delph asked the Commission to create a set of informal recommendations in consultation with the Indiana Department of Administration, the four major veterans organizations, and the Indiana Department of Veterans' Affairs to address the problem.

#### **IV. Discussion of Motor Vehicle Excise Tax Credit for Veterans**

**Representative David Niezgodski** informed the Commission that he is currently working on a bill (PD 3037) that would allow veterans to be able to claim a property tax credit towards their Motor Vehicle Excise Tax even if they do not own personal property. Representative Niezgodski provided background information on the issue to the Commission.

Previously, veterans who received a disabled veteran property tax credit were allowed to apply the credit to their motor vehicle excise tax regardless of whether the individual owned personal property. After a recent reinterpretation of statute by the Bureau of Motor Vehicles, veterans who no longer owned personal property were not allowed to use their property tax credit towards their motor vehicle excise tax. Representative Niezgodski explained that his bill would simply restore the ability for veterans who do not own property and are eligible to receive a disabled veteran property tax credit to claim the credit on their motor vehicle excise tax.

The Commission then discussed the two bills regarding certification of county veteran service officers and motor vehicle excise tax credits for disabled veterans. Senator Delph commented that the motor vehicle excise tax credit bill seemed to be a technical oversight in current law and agreed with adding the former practice into statute.

**Senator Frank Mrvan** asked how certification for county veteran service officers would be completed under Representative Reske's bill. Lt. General Mutter replied that under the current proposal (PD 3157), the Indiana Department of Veterans' Affairs would be responsible for putting in place a certification process for county veteran service officers and that any one that does not complete the certification process would be ineligible to be employed as a county veteran service officer.

Lt. General Mutter also wanted to go on the record as supporting both the bill allowing veterans to use a property tax deduction towards their motor vehicle excise tax as well as supporting certification of county veteran service officers.

#### **V. Other Business**

When asked by Chairman Baird if there was any other business to come before the Commission, **Mr. Jerry Hogan** raised the issue of increasing the utilization of the Indiana Veterans' Home. Mr. Hogan wondered if there were some ways to increase the utilization of approximately 27 Medicaid-approved beds in the Veterans' Home. Senator Delph also agreed this issue warranted discussion with Indiana Department of Veterans' Affairs Director Tom Applegate to get more insight on how to increase the utilization of the Veterans' Home.

The meeting was adjourned at 2:05 PM.

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**PRELIMINARY DRAFT**  
**No. 3157**

**PREPARED BY**  
**LEGISLATIVE SERVICES AGENCY**  
**2013 GENERAL ASSEMBLY**

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DIGEST

**Citations Affected:** IC 10-17-1.

**Synopsis:** Certification of veterans affairs officers. Requires that county and city service officers must be certified by the Indiana department of veterans' affairs. Requires the commission of veterans' affairs to establish standards for certification of county and city service officers. Provides that a person who fails to be certified is ineligible for employment as a county or city service officer.

**Effective:** July 1, 2013.

**Exhibit 1**  
**Commission on Military and**  
**Veterans Affairs**  
**Meeting #2, Sept. 11, 2012**



A BILL FOR AN ACT to amend the Indiana Code concerning military and veterans.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 10-17-1-4 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2013]: Sec. 4. The commission may  
3 do acts necessary or reasonably incident to the fulfillment of the  
4 purposes of this chapter, including the following:

- 5 (1) Adopt rules under IC 4-22-2 to administer this chapter.  
6 (2) Advise the veterans' state service officer in problems  
7 concerning the welfare of veterans.  
8 (3) Determine general administrative policies within the  
9 department.

10 **(4) Establish standards for certification of county and city**  
11 **service officers.**

12 SECTION 2. IC 10-17-1-9.5 IS ADDED TO THE INDIANA CODE  
13 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
14 1, 2013]: **Sec. 9.5. The Indiana department of veterans' affairs shall**  
15 **administer a program to certify county and city service officers,**  
16 **using the standards adopted by the commission under section 4(4)**  
17 **of this chapter. A county or city service officer must obtain**  
18 **certification from the department not later than the later of:**

- 19 (1) one (1) year after the date the service officer is employed  
20 as a service officer; or  
21 (2) July 1, 2015.

22 **A county or city service officer who fails to obtain certification in**  
23 **accordance with this section is ineligible to be employed as a**  
24 **service officer.**



# **Indiana Department of Administration Procurement Division**



## **VETERAN'S PROCUREMENT PREFERENCES RESEARCH AND RECOMMENDATIONS**

**Exhibit 2  
Commission on Military and  
Veterans Affairs  
Meeting #2, Sept. 11, 2012**

# AGENDA

- Veteran's Procurement Preferences
  - Other States, City of Indianapolis
- Indiana Preferences Today
- IDOA Preference Structure Recommendations
- Open Discussion and Questions



# VETERAN PROCUREMENT PREFERENCES

- Researched other states and identified the following thirteen states with active veteran procurement programs in place today
  - Set Aside Program: Arkansas, California, Florida, Louisiana, Michigan, Missouri, Nevada, Oregon, Washington
  - **Procurement Preference:** Alaska, Maryland, ***New Mexico (2012)***, Wisconsin



# VETERAN PROCUREMENT PREFERENCES

- Analyzed veteran program components
  - Distinction in application of veteran or disabled veteran status
  - Business structure requirements
  - Proof of veteran status
  - Small business limitations
  - Program structure either dollar or percentage based



# VETERAN PROCUREMENT PREFERENCES

- Veteran Type Distinction
  - 7 states' programs only apply to disabled veterans
  - **Procurement Preference states qualify any veteran**
- 100% have a 51% or more ownership model
- 100% require Federal VA DD214 certification  
as proof of veteran status



# VETERAN PROCUREMENT PREFERENCES

- Small Business Limitation
  - Veteran program only applies if the veteran-owned business is also a small business
  - Set Aside Program: Arkansas, Florida, Louisiana
  - **Procurement Preference: Maryland, Wisconsin**
- Program Structure
  - Set Aside Program: 3% or 5% most common, but some states' programs simply state discretionary



# VETERAN PROCUREMENT PREFERENCES

- Program Structure: *Procurement Preference States*
  - Alaska
    - Veteran: **5%** (up to \$5,000)
    - No small business requirement
  - Maryland
    - Veteran Owned Small Business(VOSB): **2%**
    - Service Disabled (SDVOSB): **3%**
    - 100 employees and \$10m revenue thresholds: **5%**



# VETERAN PROCUREMENT PREFERENCES

- Program Structure: *Procurement Preference States*
  - New Mexico
    - Resident vet bus with revenues  $\leq$  \$1 M, **10%**
    - Resident vet bus with revenues  $>$  \$1 M  $\leq$  \$5 M, **8%**
    - Resident vet bus with revenues  $>$  \$5 M, **7%**
    - No small business requirement
  - Wisconsin
    - Veteran: **5%**
    - Has business revenue threshold of \$1.5m



# VETERAN PROCUREMENT PREFERENCES

- City of Indianapolis Preference Program
  - Program inception in 2009
  - Set Aside Program: 5% goal
  - No distinction of veteran and service-disabled veteran status
  - 51% ownership model, must be a small business
  - DD214 certification required



# VETERAN PROCUREMENT PREFERENCES

- City of Indianapolis Preference Program
  - 75 registered VBE's *as of July 2012*
  - \$5,000,000 awarded to VBE's in 2010
    - 85% construction
    - 10% professional services
    - 5% commodities



# INDIANA PREFERENCES TODAY

## Indiana Code 5-22-15

### – Indiana Business

- Less than \$500,000 = 5%
- \$500,000 - \$1,000,000 = 3%
- Over \$1,000,000 = 1%

### – Indiana Manufactured: *In Addition to Indiana Business*

- Less than \$500,000 = 3%
- \$500,000 - \$1,000,000 = 2%
- Over \$1,000,000 = 1%



# INDIANA PREFERENCES TODAY

## Indiana Code 5-22-15

- **Indiana Small Business: 15%**
- Recycled Products: 15%
- Soy Bean Oil Based Ink: 10%
- Soy Diesel / Bio Diesel: 10%
- Indiana Farm Product: 10%
- Food and Beverages that Contain High Levels of Calcium: 10%



# IDO A RECOMMENDATION

## Indiana Code 5-22-15

- Addition to Indiana Small Business established preference similar to recent Indiana Manufactured preference
  - If two or more bids were submitted by qualified Indiana Small Businesses, an additional 1% price preference is available to the Veteran-Owned Small business in addition to the Indiana Small Business price preference available



# IDOA RECOMMENDATION

## Program Application Requirements

- Accept veteran and service-disabled veteran status
- 51% or more veteran-owned business
- Federal VA DD214 certification as proof of veteran status
- Also meet Indiana small business definition



# IDOA RECOMMENDATION

- Set Aside Program versus Procurement Preference
- Conduct a research study to identify Indiana Veteran Owned Business potential
  - Do they also qualify as Indiana small businesses?
  - What products / services do they offer?
  - Are they currently doing business or registered with the City of Indianapolis program?



# QUESTIONS

Thank You!

Open Discussion & Any Questions

Nicole Kenney

Deputy Commissioner

Indiana Department of Administration

Procurement Division

[nkenney@idoa.in.gov](mailto:nkenney@idoa.in.gov)

317.234.5584





# STATE OF INDIANA

Mitchell E. Daniels Jr., Governor

DEPARTMENT OF ADMINISTRATION  
Commissioner's Office

Indiana Government Center South  
402 West Washington Street, Room W469  
Indianapolis, IN 46204

**Exhibit 3**  
**Commission on Military and**  
**Veterans Affairs**  
**Meeting #2, Sept. 11, 2012**

Rep. James Baird, Chairman  
Commission on Military and Veterans Affairs  
Indiana House District 44  
Statehouse  
Indianapolis, IN 46204

In Re: Veterans Preferences for Indiana Procurement

Dear Rep. Baird,

Thank you for allowing the Procurement Division of the Indiana Department of Administration to share its research and to provide input as the Commission on Military and Veterans Affairs studies procurement preferences for Indiana veterans.

IDOA's continued goals under Governor Daniels's Administration are to reward small Indiana businesses first and foremost. Our Hoosier participation in state business is crucial to our economy and tax revenue. Presently, once an Indiana small business has been identified according to IC 5-22-15-23, the preference for supplies purchased is 15%.

### **Price Preference vs. Set Aside Preference**

There are two methods for administering preferences in government:

- Through a computed percentage price reduction that allows an advantage to the preferred offeror (Price Preference).
- By determining that a specific percentage of all business shall go to the preferred offeror (Set Aside Preference).

The state of Indiana has achieved success for Indiana businesses through its price preference model. A price preference may be given at the time of bidding, with qualifying small businesses claiming the Indiana small business preference along with its bid and submitting proof with its bid. A set aside preference requires a more complex means of achieving its goals. All small business purchasing outside of IDOA would need to be monitored and a means of measuring the application of the preference would need to be devised.

### **Veterans Preference – Survey of State Governments**

A survey by IDOA revealed that thirteen U.S. states have purchasing preference programs for veterans. The programs of two states grant preference for all veteran-owned businesses, service-disabled or not. Eight states have developed programs that extend only to service-disabled veteran-owned businesses. The programs of two states have preferences for both veteran-owned and service-disabled veteran-owned businesses.

The type of preference is divided fairly evenly among the states: eight states offer price preferences and five provide a set-aside preference. A recap of the findings follows this document, along with complete details of each state's programs.

### **Veterans Preference – City of Indianapolis**

The city of Indianapolis has established a set-aside preference program of five percent that accepts veterans and service-disabled veteran status. Because of the city's proximity, more complete details of the program and its accomplishments are available:

Indianapolis's program has 106 registered VBEs that were awarded \$5 million in 2010. *As of July 2012, there are 75 registered VBEs.*

From review of the City of Indianapolis's VBE Program, the construction industry is the primary segment that utilizes the VBE program, with 85% participation in 2010.

### **IDOA Recommendations**

For all areas of procurement, IDOA recommends a one percent additional award for certified veteran businesses on top of the most generous in-state preference in the nation, the 15 percent Indiana Small Business Preference. As a result, IDOA's Procurement Division would remain consistent with Governor Daniels's goal of rewarding Indiana businesses with state contracts, while also showing appreciation for Indiana veterans.

IDOA proposes that the classification of service-disable veterans not be eligible for a separate preference award. The federal government has an effective certification program in place for veteran-owned businesses, but none for service-disabled veteran-owned businesses. A system to certify service-disabled participation would cost the State of Indiana additional resources while serving a smaller percentage of Hoosier veterans.

Sincerely,

Nicole Kenney  
Deputy Commissioner  
Procurement

### ***Findings from 13 states\* with Veteran's Preference Programs***

- 15% (2 states) all veteran participation
- 62% (8 states) service-disabled veteran participation only
- 15% (2 states) Both service-disabled and veteran participation
- 100% have 51% or more ownership model
- 5-10% Preference award range
- Some states have a dollar cap on preference awards
- 100% require federal VA DD214 certification
- 62% (8 states) offer price preferences for veteran participation
- 38% (5 states) have set-aside goals

### ***City of Indianapolis Veteran's Business Enterprise (VBE)***

- Accepts veteran and service-disable veteran status
- 51% or more ownership required
- No preference award
- DD214 certification required
- 5% set-aside goal
  
- Veteran Participation
  - 75 registered VBEs *as of July 2012*
  - 85% Construction
  - 10% Professional Services
  - 5% Commodities
  - \$5 million awarded to VBEs in 2010

\* States surveyed include Alaska, Arkansas, California, Florida, Louisiana, Maryland, Michigan, Missouri, New Mexico, Nevada, Oregon, Washington and Wisconsin.

## State by State Research of Veteran Business Procurement Programs

**Alaska** ([http://www.legis.state.ak.us/basis/get\\_bill\\_text.asp?hsid=HB0024Z&session=26](http://www.legis.state.ak.us/basis/get_bill_text.asp?hsid=HB0024Z&session=26))

### **Sec. 36.30.175. Alaska veterans' preference.**

(a) Notwithstanding a provision

in AS 36.30.170 to the contrary, if a bidder qualifies under AS 36.30.170(b) as an

Alaska bidder and is a qualifying entity, **a five percent bid preference shall be applied**

**to the bid price. The preference may not exceed \$5,000.** In this subsection, "qualifying entity" means a

(1) sole proprietorship owned by an Alaska veteran;

(2) partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;

(3) limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or

(4) corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans.

**(b) A preference under this section is in addition to any other preference for which the bidder qualifies.**

**Arkansas**

**15-4-305. Duties.** ( <http://www.dfa.arkansas.gov/offices/procurement/Documents/lawsRegs.pdf> )

**The Division of Minority Business Enterprise** of the Department of Economic Development shall:

(13) Provide a program effort to **ensure participation of veterans in Arkansas**, minority business enterprise activities.

### **SECTION 1. Arkansas Code § 15-4-303(2)**

(<http://www.arkleg.state.ar.us/assembly/2011/2011R/Acts/Act893.pdf>)

Concerning the definition of "minority" under the Minority Business Economic Development Act, is amended to read as follows:

(2) **"Minority" means a lawful permanent resident of this state who is:**

(F) **Service-disabled veteran** as designated by the United States Department of Veterans Affairs

**SECTION 1. Arkansas Code Title 19, Chapter 11, Subchapter 1,**

**([http://www.arkansashouse.org/public/php/pdf\\_viewer.php?pdf=ftp://www.arkleg.state.ar.us/Bills/2011/Public/HB1790.pdf](http://www.arkansashouse.org/public/php/pdf_viewer.php?pdf=ftp://www.arkleg.state.ar.us/Bills/2011/Public/HB1790.pdf))**

Is amended to add an additional section to read as follows

(C) Has been certified as a business of a service-disabled veteran by the Division of Minority Business Enterprise of the Arkansas Economic Development Commission under the Minority Business Economic Development Act, § 15-4-301 et seq.

**(b)(1) All state agencies shall attempt to ensure that five percent (5%) of the total amount expended in state-funded and state-directed public construction programs and in the purchase of goods and services for the state each fiscal year is paid to businesses of service-disabled veterans.**

**California** ([http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab\\_0001-0050/ab\\_31\\_bill\\_20091011\\_chaptered.pdf](http://www.leginfo.ca.gov/pub/09-10/bill/asm/ab_0001-0050/ab_31_bill_20091011_chaptered.pdf))

SECTION 1. Section 14838.5 of the Government Code is amended to read:

14838.5. (a) Notwithstanding the advertising, bidding, and protest provisions of Chapter 6 (commencing with Section 14825) of this part and Chapter 2 (commencing with Section 10290) and Chapter 3 (commencing with Section 12100) of Part 2 of Division 2 of the Public Contract Code, **a state agency may award a contract for the acquisition of goods, services, or information technology that has an estimated value of greater than five thousand dollars (\$5,000), but less than two hundred fifty thousand dollars (\$250,000), to a certified small business, including a microbusiness, or to a disabled veteran business enterprise**, as long as the agency obtains price quotations from two or more certified small businesses, including microbusinesses, or from two or more disabled veterans business enterprises.

**<http://www.documents.dgs.ca.gov/pd/poliproc/278IncentiveTables091509.pdf>**

In accordance with section 999.5(a) of the Military and Veterans Code, **an incentive will be given to bidders who provide DVBE participation**. For evaluation purposes only, the State shall apply an

incentive to bids that propose California certified DVBE participation as identified on the Bidder Declaration GSPD-05-105 and confirmed by the State. The incentive amount for awards based on low price will vary in conjunction with the percentage of DVBE participation. The following percentages will apply for awards based on low price. Confirmed DVBE Participation of: DVBE Incentive

**5% or Over 5%** [veteran-owned qualifies]

**4% to 4.99%** 4%

**3% to 3.99%** 3%

**Florida** (<http://www.flsenate.gov/Laws/Statutes/2010/295.187>),  
(<http://www.flsenate.gov/Laws/Statutes/2010/288.705>)

(8) REPORT.—The Small Business Development Center shall include in its report required by s. 288.705 the percentage of certified service-disabled veteran business enterprises using the statewide contracts register.

**295.187**

4) **VENDOR PREFERENCE.**—

(a) **A state agency, when considering two or more bids, proposals, or replies for the procurement of commodities or contractual services, at least one of which is from a certified service-disabled VETERAN business enterprise, that are equal with respect to all relevant considerations, including price, quality, and service, shall award such procurement or contract to the certified service-disabled VETERAN business enterprise.**

**Louisiana** (<http://www.legis.state.la.us/billdata/streamdocument.asp?did=667172>)

**Chapter 23 of Title 39 of the Louisiana Revised Statutes of 1950**

12 **The commissioner of administration shall establish annual goals for veteran**

13 **and service-connected disabled veteran-owned small entrepreneurship participation**

14 **in state procurements and public contracts. The commissioner shall determine the**

15 **appropriate level and number of goals for each year.** The formulation of each goal

16 shall be based on historical procurement and public contracting data and any other

17 factors which the commissioner deems useful. As part of development of goals, the

18 commissioner may consider the capacity of veteran and service-connected disabled  
19 veteran-owned small entrepreneurships available to participate in meeting goals,  
20 which may be determined based on past experience, available veteran and service  
21 connected disabled veteran-owned small entrepreneurship certifications, and  
22 recognized industry composition. **The commissioner shall provide guidance to**  
23 **agencies with respect to estimation of dollar values for anticipated procurement and**  
24 **contract activity to be used in the development of a goal.** Agencies shall report any  
25 data required by the commissioner in this regard in accordance with a schedule  
26 established by the commissioner.

B. **The commissioner shall develop standard contract clauses to be used by**  
16 **agencies in requests for proposals, advertisements, and solicitations for bids as are**  
17 **necessary to carry out the purposes of this Chapter.**

**Maryland** (<http://www.dsd.state.md.us/comar/comarhtml/21/21.11.01.05.htm>)

#### ***21.11.01.05 Small Business Preference Program***

A. Applicability. **The small business preference program applies to procurements by the**  
**Department of Transportation, the Department of General Services, and Morgan State University.**  
**The small business preference program also applies to the Department of Public Safety and**  
**Correctional Services for procurements in connection with the construction of a State correctional**  
**facility.**

(2) Solicitation Notice. (a) A published solicitation for a procurement designated for a small business preference shall include a statement that the procurement has been so designated and shall indicate the price preference percentage to be applied. **A designated price preference may not exceed a base percentage preference of 5 percent of the total contract value. A 2 percent preference may be added to the base percentage preference for veteran-owned small businesses and a 3 percent preference may be added to the base percentage preference for disabled-veteran-owned small businesses.**

**Michigan** (<http://www.michigan.gov/buymichiganfirst/0,1607,7-225-48677-123519--,00.html>)  
([http://www.michigan.gov/documents/dmb/QDV\\_Announcement\\_318160\\_7.pdf](http://www.michigan.gov/documents/dmb/QDV_Announcement_318160_7.pdf))

**Under Public Act 91 of 2005, businesses owned by qualified service-disabled veterans get a 10% pricing preference.**

**MCL 18.1241** Applies to “contracts for construction, repair, remodeling, or demolition of a facility.”

**MCL 18.1261** applies to “the purchase of, the contracting for, and the providing of supplies, materials, services, insurance, utilities, third party financing, equipment, printing, and all other items as needed by state agencies for which the legislature has not otherwise expressly provided.”

**Missouri** (<http://oa.mo.gov/fmdc/leasingoperations/O%20-%20MO%20Service-Disabled%20Veteran%20Business%20Preference.pdf>)

Pursuant to **34.074 RSMo**,

**The Office of Administration, Division of Facilities Management, Design and Construction has a goal of awarding three (3) percent of all contracts for the performance of any job or service to service-disabled veteran businesses**

**New Mexico** ([http://www.generalservices.state.nm.us/uploads/files/SPD/Veterans%20Preference\\_7-1-12.pdf](http://www.generalservices.state.nm.us/uploads/files/SPD/Veterans%20Preference_7-1-12.pdf))

*General Services Division*

*In accordance with Sections 13-1-21 and 13-1-22, 1978 resident Veterans businesses are to receive the following preferences:*

- 1. Resident Veterans businesses with annual revenues of \$1M or less are to receive a 10% preference discount on their bids and proposals.*
- 2. Resident Veterans businesses with annual revenues of more than \$1M but less than \$5M are to receive a 8% preference discount on their bids and proposals.*
- 3. Resident Veterans businesses with annual revenues of more than \$5M are to receive a 7% preference discount on their bids and proposals.*

**Nevada** (<http://leg.state.nv.us/Statutes/75th2009/Stats200926.html#Stats200926page2593>)

Ch 472, AB 223

Sec. 22.

1. For the purpose of awarding a contract for a public work of this State for which the estimated cost is \$100,000 or less, as governed by NRS 338.13862, **if a local business owned by a service-disabled veteran submits a bid, the bid shall be deemed to be 5 percent lower than the bid actually submitted.**
2. **The preference described in subsection 1 may not be combined with any other preference**

**Oregon** ([http://arcweb.sos.state.or.us/rules/OARS\\_100/OAR\\_125/125\\_246.html](http://arcweb.sos.state.or.us/rules/OARS_100/OAR_125/125_246.html))

**OAR 125-246-0314**

(3) Establishing the Preference. **The Authorized Agency may use a percentage for the Preference in a competitive procurement process or use the Preference for a direct award to the Disabled Veteran instead.** In either case, the process for a Contract may not exceed \$50,000, and the Designated Procurement Officer of the Authorized Agency must make a written determination that supports the Preference.

(4) Subcontracting. **An Authorized Agency may require a Contractor to subcontract some part of a Contract not to exceed \$50,000** to, or obtain materials to be used in performing the Contract from, a Disabled Veteran.

**Washington** (<http://apps.leg.wa.gov/documents/billdocs/2009-10/Pdf/Bills/Session%20Law%202010/5041.SL.pdf>)

**Sec. 4.** A new section is added to chapter **43.60A RCW** to read as follows:

(1) **State agencies are encouraged to award three percent of all procurement contracts that are exempt from competitive bidding requirements under RCW 43.19.1906(2) to veteran-owned businesses** certified by the department under section 3 of this act.

Wisconsin (<http://commerce.wi.gov/BD/BD-MBD-DVB.html>) (<http://legis.wisconsin.gov/statutes/Stat0016.pdf>)

## Department of Commerce

To increase the opportunity for disabled veteran firms to sell their products and services to the State of Wisconsin. **A certified disabled veteran-owned business is eligible for a 5 percent bid preference.** This means that the certified bidder must be within 5 percent of the lowest qualified responsible bidder.

### 16.75(3m)(b)3

3. Except as provided under sub. (7), **the department may purchase materials, supplies, equipment, and contractual services from any minority business or disabled veteran-owned business, or a business that is both a minority business and a disabled veteran-owned business,** submitting a qualified responsible competitive bid that is no more than 5 percent higher than the apparent low bid or competitive proposal that is no more than 5 percent higher than the most advantageous proposal. In administering the preference for minority businesses or disabled veteran-owned businesses established in this paragraph, the department and any agency making purchases under s. 16.74 shall maximize the use of minority businesses or disabled veteran-owned businesses which are incorporated under ch. 180 or which have their principal place of business in this state.



U.S. General Services Administration

**Exhibit 4  
Commission on Military and  
Veterans Affairs  
Meeting #2, Sept. 11, 2012**[Home](#) > [About GSA](#) > [Reference](#) > [Executive Orders](#) >

# Executive Order 13360

## Service-Disabled Veterans

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order for service-disabled veteran businesses, it is hereby ordered as follows:

Section 1. Policy. America honors the extraordinary service rendered to the United States by veterans with disabilities service with the armed forces. Heads of agencies shall provide the opportunity for service-disabled veteran businesses subcontracting of such businesses. To achieve that objective, agencies shall more effectively implement section 15(g) provides that the President must establish a goal of not less than 3 percent for participation by service-disabled veterans that Act (15 U.S.C. 657f), which gives agency contracting officers the authority to reserve certain procurements for service-disabled veterans.

Sec. 2. Duties of Agency Heads. To implement the policy set forth in section 1, heads of agencies shall:

- (a) develop a strategy to implement the policy set forth in section 1;
- (b) make the agency's strategy publicly available and report annually to the Administrator of the Small Business Administration;
- (c) designate a senior-level official who shall be responsible for developing and implementing the agency's strategy;
- (d) include development and implementation of the agency's strategy and achievements in furtherance of the strategy the agency's designated agency senior-level official, chief acquisition officer, and director of small and disadvantaged businesses;
- (e) include in the agency's strategy plans for:
  - (i) reserving agency contracts exclusively for service-disabled veteran businesses;
  - (ii) encouraging and facilitating participation by service-disabled veteran businesses in competitions for award of agency contracts;
  - (iii) encouraging agency contractors to subcontract with service-disabled veteran businesses and actively monitoring such subcontracting;
  - (iv) training agency personnel on applicable law and policies relating to participation of service-disabled veteran businesses in Federal contracting;
  - (v) disseminating information to service-disabled veteran businesses that would assist these businesses in participating in Federal contracting.

Sec. 3. Additional Duties of Administrator of the Small Business Administration. The Administrator of the Small Business Administration shall:

- (a) designate an appropriate entity within the Small Business Administration that shall, in coordination with the Veterans Affairs Department, provide to service-disabled veteran businesses information and assistance concerning participation in Federal contracting;
- (b) advise and assist heads of agencies in their implementation of section 2 of this order; and
- (c) make available to service-disabled veteran businesses training in Federal contracting law, procedures, and practices.

Sec. 4. Additional Duties of Administrator of General Services. The Administrator of General Services shall:

- (a) establish a Government-wide Acquisition Contract reserved for participation by service-disabled veteran businesses;
- (b) assist service-disabled veteran businesses to be included in Federal Supply Schedules.

Sec. 5. Additional Duties of the Secretary of Defense. The Secretary of Defense shall direct the Defense Acquisition and Sustainment Program to provide training to service-disabled veteran businesses and make this training available on line through the DAU continuous learning program.

Sec. 6. Additional Duties of the Secretary of Veterans Affairs. The Secretary of Veterans Affairs shall assist agencies in verifying the accuracy of contractor registration databases with regard to service-disabled veteran businesses.

Sec. 7. Additional Duties of the Secretary of Labor and Secretary of Veterans Affairs. The Secretary of Labor and Secretary of Veterans Affairs shall assist agencies in the Small Business Transition Assistance Program and the Disability Transition Assistance Program to educate separating service members and service-disabled veteran businesses and as to potential entrepreneurial opportunities.

Sec. 8. Definitions. As used in this order:

- (a) the term "agency" means an "executive agency" as that term is defined in section 105 of title 5, United States Code, or a Government corporation;
- (b) the term "service-disabled" means, with respect to disability, that the disability was incurred or aggravated in the line of duty while in the United States Armed Forces;
- (c) the term "service-disabled veteran" means a veteran, as defined in 38 U.S.C. 101(2), with a disability that is service-connected;
- (d) the term "service-disabled veteran business" means a small business concern owned and controlled by service-disabled veteran as defined in the Small Business Act (15 U.S.C. 632(q)); and
- (e) the term "small business concern" has the meaning specified in section 3(a) of the Small Business Act (15 U.S.C. 632) and that section.

Sec. 9. General Provisions. (a) Heads of agencies shall carry out duties assigned by sections 3, 4, 5, 6, and 7 of this order, subject to the availability of appropriations.

(b) To the extent permitted by law, an agency shall disclose personally identifying information on service-disabled veterans in order to discharge their responsibilities under this order.

(c) An agency that consists of a multi-member commission shall implement this order to the extent it determines appropriate.

(d) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law by any party against its departments, agencies, instrumentalities or entities, its officers, employees or agents, or any other person.

GEORGE W. BUSH  
THE WHITE HOUSE,  
October 20, 2004.

Last Reviewed 04/05/2012

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