
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 623 Session of
2011

INTRODUCED BY TOMLINSON, BAKER, SCARNATI, PILEGGI, ERICKSON,
VOGEL, YAW, FONTANA, BOSCOLA, STACK, RAFFERTY, SOLOBAY,
BRUBAKER, ALLOWAY, WAUGH, BROWNE, TARTAGLIONE, D. WHITE,
COSTA, WILLIAMS, MENSCH, GREENLEAF, FARNESE, WARD AND
BREWSTER, FEBRUARY 23, 2011

REFERRED TO VETERANS AFFAIRS AND EMERGENCY PREPAREDNESS,
FEBRUARY 23, 2011

AN ACT

1 Amending Title 62 (Procurement) of the Pennsylvania Consolidated
2 Statutes, providing for contracting with veteran-owned small
3 businesses; and imposing duties on the Department of General
4 Services and other Commonwealth purchasing agencies.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Title 62 of the Pennsylvania Consolidated Statutes
8 is amended by adding a chapter to read:

9 CHAPTER 22

10 VETERAN-OWNED SMALL BUSINESSES

11 Sec.

12 2201. Definitions.

13 2202. Regulations.

14 2203. Veteran-owned small business participation goals.

15 2204. Duties of department.

16 2205. Bonding and progress payments.

17 2206. (Reserved).

1 2207. Report to standing committees.

2 2208. Compliance with Federal requirements.

3 § 2201. Definitions.

4 Subject to section 2202 (relating to regulations), the
5 following words and phrases when used in this chapter shall have
6 the meanings given to them in this section unless the context
7 clearly indicates otherwise:

8 "Active service." Full-time military duty, other than active
9 duty for training, as a member of the United States Army, Air
10 Force, Navy, Marine Corps or Coast Guard, or their reserve
11 components or the National Guard. The term includes full-time
12 service for more than 30 consecutive days performing active
13 State duty for emergencies as a member of the Pennsylvania
14 National Guard.

15 "Veteran." An individual who performed active service in the
16 armed forces of the United States, including the reserve
17 components and the National Guard, who was discharged from the
18 active service under honorable conditions.

19 "Veteran-owned small business." A business having 100 or
20 fewer full-time employees and not less than 51% of which is
21 owned by one or more veterans, or in the case of any publicly
22 owned business, not less than 51% of the stock of which is owned
23 by one or more veterans, and the management and daily business
24 operations of which are controlled by one or more veterans.

25 § 2202. Regulations.

26 The department shall establish policy in accordance with this
27 chapter for executive agencies and those independent agencies
28 for which the department acts as purchasing agency and may
29 promulgate regulations establishing detailed definitions of the
30 words and phrases defined in section 2201 (relating to

1 definitions) using, in addition to the criteria set forth in
2 section 2201, other criteria as it deems appropriate, including
3 the number of employees and the dollar volume of business.
4 State-affiliated entities shall implement the policy for their
5 procurement programs.

6 § 2203. Veteran-owned small business participation goals.

7 Each purchasing agency shall have an annual goal of not less
8 than 5% participation by veteran-owned small businesses in all
9 contracts entered into by the purchasing agency. The
10 participation goal shall apply to the overall dollar amount
11 expended by the purchasing agency with respect to the contracts.

12 § 2204. Duties of department.

13 The department shall have the following duties:

14 (1) Where feasible, provide appropriate staff who shall
15 be responsible to the department and who shall serve within
16 designated Commonwealth agencies to assist veteran-owned
17 small businesses in this Commonwealth in learning how to do
18 business with Commonwealth agencies.

19 (2) Give special publicity to procurement procedures and
20 issue special publications designed to assist veteran-owned
21 small businesses in learning how to do business with
22 Commonwealth agencies.

23 (3) Compile, maintain and make available source lists of
24 veteran-owned small businesses for the purpose of encouraging
25 procurement from veteran-owned small businesses.

26 (4) Include veteran-owned small businesses on
27 solicitation mailing lists.

28 (5) Assure that veteran-owned small businesses are
29 solicited on each procurement for which the businesses may be
30 suited.

1 (6) Develop special training programs to assist veteran-
2 owned small businesses in learning how to do business with
3 Commonwealth agencies.

4 (7) Assure that participation by veteran-owned small
5 businesses is appropriately factored into the evaluation of
6 proposals for supplies, services or construction when a
7 purchasing agency uses the competitive sealed proposals
8 method under section 513 (relating to competitive sealed
9 proposals).

10 (8) Certify businesses that have been identified as
11 veteran-owned small business.

12 § 2205. Bonding and progress payments.

13 (a) Bonding.--Notwithstanding other provisions of this part:

14 (1) Except as provided in paragraph (2), a purchasing
15 agency may reduce the level or change the types of bonding
16 normally required or accept alternative forms of security to
17 the extent reasonably necessary to encourage procurement from
18 veteran-owned small businesses.

19 (2) For contracts under \$100,000, veteran-owned small
20 businesses shall be exempt from the bonding requirements of
21 this part.

22 (b) Progress payments.--A purchasing agency may make special
23 provisions for progress payments as it deems reasonably
24 necessary to encourage procurement from veteran-owned small
25 businesses.

26 § 2206. (Reserved).

27 § 2207. Report to standing committees.

28 Each purchasing agency shall annually, before October 1,
29 report in writing to the Veterans Affairs and Emergency
30 Preparedness Committee of the Senate and the Veterans Affairs

1 and Emergency Preparedness Committee of the House of
2 Representatives concerning total contract dollars awarded to
3 veteran-owned small businesses by the purchasing agency during
4 the preceding fiscal year. The report shall include a list of
5 all veteran-owned small businesses that participated as
6 contractors, subcontractors or suppliers during the preceding
7 fiscal year. The report shall include a list of all veteran work
8 force utilization businesses during the preceding fiscal year.
9 The purchasing agencies shall submit the initial reports to the
10 standing committees under this section on or before October 1,
11 2011, or on or before October 1 at least 12 months after the
12 effective date of this section, whichever is later.

13 § 2208. Compliance with Federal requirements.

14 If a procurement involves the expenditure of Federal
15 assistance or contract funds, the purchasing agency shall comply
16 with Federal law and authorized regulations that are mandatorily
17 applicable and that are not presently reflected in this part.

18 Section 2. This act shall take effect in 60 days.