

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL****No. 623**      Session of  
2011

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INTRODUCED BY TOMLINSON, BAKER, SCARNATI, PILEGGI, ERICKSON,  
VOGEL, YAW, FONTANA, BOSCOLA, STACK, RAFFERTY, SOLOBAY,  
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COSTA, WILLIAMS, MENSCH, GREENLEAF, FARNESE, WARD AND  
BREWSTER, FEBRUARY 23, 2011

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SENATOR CORMAN, APPROPRIATIONS, RE-REPORTED AS AMENDED, MARCH 5,  
2012

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## 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  
8 Statutes 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~~ REPORTS. ←

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 ~~"SERVICE DISABLED." A VETERAN WHO POSSESSES EITHER A~~ ←  
26 ~~DISABILITY RATING LETTER ISSUED BY THE UNITED STATES DEPARTMENT~~  
27 ~~OF VETERANS AFFAIRS OR A DISABILITY DETERMINATION FROM THE~~  
28 ~~UNITED STATES DEPARTMENT OF DEFENSE.~~

29 ~~"SERVICE-DISABLED VETERAN-OWNED BUSINESS." A SMALL BUSINESS~~  
30 ~~OWNED AND CONTROLLED BY A SERVICE-DISABLED VETERAN OR VETERANS~~

1 OR, IF APPROVED BY THE DEPARTMENT OF GENERAL SERVICES, A  
2 SURVIVING SPOUSE OR PERMANENT CAREGIVER OF A SERVICE-DISABLED  
3 VETERAN.

4 "SMALL BUSINESS." A BUSINESS THAT DOES NOT EXCEED THE  
5 LIMITATION ON REVENUE OR NUMBER OF EMPLOYEES ESTABLISHED BY THE  
6 DEPARTMENT OF GENERAL SERVICES FOR DESIGNATION AS A SMALL  
7 BUSINESS.

8 "VETERAN." A PERSON WHO SERVED ON ACTIVE DUTY IN THE UNITED  
9 STATES ARMED FORCES, INCLUDING ANY OF THE FOLLOWING:

10 (1) A RESERVIST OR MEMBER OF THE NATIONAL GUARD WHO WAS  
11 DISCHARGED OR RELEASED FROM THE SERVICE UNDER HONORABLE  
12 CONDITIONS.

13 (2) A RESERVIST OR MEMBER OF THE NATIONAL GUARD WHO  
14 COMPLETED AN INITIAL TERM OF ENLISTMENT OR QUALIFYING PERIOD  
15 OF SERVICE.

16 (3) A RESERVIST OR MEMBER OF THE NATIONAL GUARD WHO WAS  
17 DISABLED IN THE LINE OF DUTY DURING TRAINING.

18 "VETERAN-OWNED SMALL BUSINESS." A BUSINESS OWNED AND  
19 CONTROLLED BY A VETERAN OR VETERANS.

20 § 2202. Regulations.

21 The department shall establish policy in accordance with this  
22 chapter for executive agencies and ~~those~~ independent agencies ←  
23 for which the department acts as purchasing agency and may ←  
24 promulgate regulations establishing detailed definitions of the  
25 words and phrases defined in section 2201 (relating to  
26 definitions) using, in addition to the criteria set forth in  
27 section 2201, other criteria as it deems appropriate, including  
28 the number of employees and the dollar volume of business.  
29 State-affiliated entities shall implement the policy for their  
30 procurement programs.

1 § 2203. Veteran-owned small business participation goals.

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

7 § 2204. Duties of department.

8 The department shall have the following duties:

9 (1) Where feasible, provide appropriate staff who shall  
10 be responsible to the department and who shall serve within  
11 designated Commonwealth agencies to assist veteran-owned  
12 small businesses AND SERVICE-DISABLED VETERAN-OWNED SMALL ←  
13 BUSINESSES in this Commonwealth in learning how to do  
14 business with Commonwealth agencies.

15 (2) Give special publicity to procurement procedures and  
16 issue special publications designed to assist veteran-owned  
17 small businesses AND SERVICE-DISABLED VETERAN-OWNED SMALL ←  
18 BUSINESSES in learning how to do business with Commonwealth  
19 agencies.

20 (3) Compile, maintain and make available source lists of  
21 veteran-owned small businesses AND SERVICE-DISABLED ←  
22 VETERAN-OWNED SMALL BUSINESSES for the purpose of encouraging  
23 procurement from veteran-owned small businesses.

24 (4) Include veteran-owned small businesses AND ←  
25 SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES on  
26 solicitation mailing lists.

27 (5) Assure that veteran-owned small businesses AND ←  
28 SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES are solicited  
29 on each procurement for which the businesses may be suited.

30 (6) Develop special training programs to assist veteran-

1 owned small businesses AND SERVICE-DISABLED VETERAN-OWNED ←  
2 SMALL BUSINESSES in learning how to do business with  
3 Commonwealth agencies.

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

11 (8) Certify businesses that have been identified as  
12 veteran-owned small ~~business~~ BUSINESSES AND SERVICE-DISABLED ←  
13 VETERAN-OWNED SMALL BUSINESSES.

14 § 2205. Bonding and progress payments.

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

16 (1) Except as provided in paragraph (2), a purchasing  
17 agency may reduce the level or change the types of bonding  
18 normally required or accept alternative forms of security to  
19 the extent reasonably necessary to encourage procurement from  
20 veteran-owned small businesses AND SERVICE-DISABLED ←  
21 VETERAN-OWNED SMALL BUSINESSES.

22 ~~(2) For contracts under \$100,000, veteran owned small~~ ←  
23 ~~businesses shall be exempt from the bonding requirements of~~  
24 ~~this part.~~

25 (2) FOR CONTRACTS UNDER \$50,000, VETERAN-OWNED SMALL ←  
26 BUSINESSES AND SERVICE-DISABLED VETERAN-OWNED SMALL  
27 BUSINESSES SHALL BE EXEMPT FROM ANY BONDING REQUIREMENTS.

28 (b) Progress payments.--A purchasing agency may make special  
29 provisions for progress payments as it deems reasonably  
30 necessary to encourage procurement from veteran-owned small

1 businesses AND SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES. ←

2 § 2206. (Reserved).

3 § 2207. ~~Report to standing committees~~ REPORTS. ←

4 ~~Each purchasing agency~~ (A) REPORT TO DEPARTMENT OF GENERAL ←

5 SERVICES.--BY AUGUST 15, 2013, AND EACH AUGUST 15 THEREAFTER,

6 EACH EXECUTIVE AND INDEPENDENT AGENCY SHALL SUBMIT AN ANNUAL

7 REPORT FOR THE PERIOD OF JULY 1 TO JUNE 30 TO THE DEPARTMENT OF

8 GENERAL SERVICES ON ACTUAL UTILIZATION OF VETERAN-OWNED SMALL

9 BUSINESSES AND SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES

10 AS CONTRACTORS, SUBCONTRACTORS, SUPPLIERS AND PROFESSIONAL

11 SERVICE PROVIDERS.

12 (B) REPORT TO STANDING COMMITTEES.--THE DEPARTMENT AND EACH

13 STATE-AFFILIATED ENTITY shall annually, before October 1, report

14 in writing to the Veterans Affairs and Emergency Preparedness

15 Committee of the Senate and the Veterans Affairs and Emergency

16 Preparedness Committee of the House of Representatives

17 concerning total contract dollars awarded to veteran-owned small

18 businesses AND SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES ←

19 by the purchasing agency during the preceding fiscal year. The

20 report shall include a list of all veteran-owned small

21 businesses AND SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESSES ←

22 that participated as contractors, subcontractors or suppliers

23 during the preceding fiscal year. ~~The report shall include a~~ ←

24 ~~list of all veteran work force utilization businesses during the~~

25 ~~preceding fiscal year. The purchasing agencies shall submit the~~

26 ~~initial reports~~ THE DEPARTMENT AND STATE-AFFILIATED ENTITY ←

27 INITIAL REPORTS SHALL BE SUBMITTED to the standing committees

28 under this section on or before October 1, 2011, or on or before

29 October 1 at least 12 months after the effective date of this

30 section, whichever is later.

1 § 2208. Compliance with Federal requirements.

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

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