

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

AS AMENDED ON THIRD CONSIDERATION, MARCH 12, 2012

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. 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 "Service disabled." A veteran who possesses either a  
9 disability rating letter issued by the United States Department  
10 of Veterans Affairs or a disability determination from the  
11 United States Department of Defense.

12 "Service-disabled veteran-owned SMALL business." A small  
13 business owned and controlled by a service-disabled veteran or  
14 veterans or, if approved by the Department of General Services,  
15 a surviving spouse or permanent caregiver of a service-disabled  
16 veteran.

17 "Small business." A business that does not exceed the  
18 limitation on revenue or number of employees established by the  
19 Department of General Services for designation as a small  
20 business.

21 "Veteran." A person who served on active duty in the United  
22 States Armed Forces, including any of the following:

23 (1) A reservist or member of the National Guard who was  
24 discharged or released from the service under honorable  
25 conditions.

26 (2) A reservist or member of the National Guard who  
27 completed an initial term of enlistment or qualifying period  
28 of service.

29 (3) A reservist or member of the National Guard who was  
30 disabled in the line of duty during training.



1 "Veteran-owned small business." A SMALL business owned and  
2 controlled by a veteran or veterans.

3 § 2202. Regulations.

4 The department shall establish policy in accordance with this  
5 chapter for executive agencies and independent agencies and may  
6 promulgate regulations establishing detailed definitions of the  
7 words and phrases defined in section 2201 (relating to  
8 definitions) using, in addition to the criteria set forth in  
9 section 2201, other criteria as it deems appropriate, including  
10 the number of employees and the dollar volume of business.  
11 State-affiliated entities shall implement the policy for their  
12 procurement programs.

13 § 2203. Veteran-owned small business participation goals.

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

19 § 2204. Duties of department.

20 The department shall have the following duties:

21 (1) Where feasible, provide appropriate staff who shall  
22 be responsible to the department and who shall serve within  
23 designated Commonwealth agencies to assist veteran-owned  
24 small businesses and service-disabled veteran-owned small  
25 businesses in this Commonwealth in learning how to do  
26 business with Commonwealth agencies.

27 (2) Give special publicity to procurement procedures and  
28 issue special publications designed to assist veteran-owned  
29 small businesses and service-disabled veteran-owned small  
30 businesses in learning how to do business with Commonwealth

1 agencies.

2 (3) Compile, maintain and make available source lists of  
3 veteran-owned small businesses and service-disabled  
4 veteran-owned small businesses for the purpose of encouraging  
5 procurement from veteran-owned small businesses.

6 (4) Include veteran-owned small businesses and  
7 service-disabled veteran-owned small businesses on  
8 solicitation mailing lists.

9 (5) Assure that veteran-owned small businesses and  
10 service-disabled veteran-owned small businesses are solicited  
11 on each procurement for which the businesses may be suited.

12 (6) Develop special training programs to assist veteran-  
13 owned small businesses and service-disabled veteran-owned  
14 small businesses in learning how to do business with  
15 Commonwealth agencies.

16 (7) Assure that participation by veteran-owned small  
17 businesses and service-disabled veteran-owned small  
18 businesses is appropriately factored into the evaluation of  
19 proposals for supplies, services or construction when a  
20 purchasing agency uses the competitive sealed proposals  
21 method under section 513 (relating to competitive sealed  
22 proposals).

23 (8) Certify businesses that have been identified as  
24 veteran-owned small businesses and service-disabled  
25 veteran-owned small businesses.

26 § 2205. Bonding and progress payments.

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

28 (1) Except as provided in paragraph (2), a purchasing  
29 agency may reduce the level or change the types of bonding  
30 normally required or accept alternative forms of security to

1 the extent reasonably necessary to encourage procurement from  
2 veteran-owned small businesses and service-disabled  
3 veteran-owned small businesses.

4 (2) For contracts under \$50,000, veteran-owned small  
5 businesses and service-disabled veteran-owned small  
6 businesses shall be exempt from any bonding requirements.

7 (b) Progress payments.--A purchasing agency may make special  
8 provisions for progress payments as it deems reasonably  
9 necessary to encourage procurement from veteran-owned small  
10 businesses and service-disabled veteran-owned small businesses.

11 § 2206. (Reserved).

12 § 2207. Reports.

13 (a) Report to Department of General Services.--By August 15,  
14 2013, and each August 15 thereafter, each executive and  
15 independent agency shall submit an annual report for the period  
16 of July 1 to June 30 to the Department of General Services on  
17 actual utilization of veteran-owned small businesses and  
18 service-disabled veteran-owned small businesses as contractors,  
19 subcontractors, suppliers and professional service providers.

20 (b) Report to standing committees.--The department and each  
21 State-affiliated entity shall annually, before October 1, report  
22 in writing to the Veterans Affairs and Emergency Preparedness  
23 Committee of the Senate and the Veterans Affairs and Emergency  
24 Preparedness Committee of the House of Representatives  
25 concerning total contract dollars awarded to veteran-owned small  
26 businesses and service-disabled veteran-owned small businesses  
27 by the purchasing agency during the preceding fiscal year. The  
28 report shall include a list of all veteran-owned small  
29 businesses and service-disabled veteran-owned small businesses  
30 that participated as contractors, subcontractors or suppliers

1 during the preceding fiscal year. The department and State-  
2 affiliated entity initial reports shall be submitted to the  
3 standing committees under this section on or before October 1,  
4 ~~2011~~ 2012, or on or before October 1 at least 12 months after ←  
5 the effective date of this section, whichever is later.

6 § 2208. Compliance with Federal requirements.

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

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