



House of Representatives

General Assembly

File No. 223

January Session, 2021

House Bill No. 5736

House of Representatives, March 31, 2021

The Committee on Veterans' Affairs reported through REP. BOYD of the 50th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING PRICE PREFERENCES FOR VETERAN-OWNED BUSINESSES IN STATE CONTRACTING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 4a-59 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective October*
3 *1, 2021*):

4 (c) All open market orders or contracts shall be awarded to (1) the
5 lowest responsible qualified bidder, the qualities of the articles to be
6 supplied, their conformity with the specifications, their suitability to the
7 requirements of the state government and the delivery terms being
8 taken into consideration and, at the discretion of the Commissioner of
9 Administrative Services, life-cycle costs and trade-in or resale value of
10 the articles may be considered where it appears to be in the best interest
11 of the state, (2) the highest scoring bidder in a multiple criteria bid, in
12 accordance with the criteria set forth in the bid solicitation for the
13 contract, or (3) the proposer whose proposal is deemed by the awarding
14 authority to be the most advantageous to the state, in accordance with

15 the criteria set forth in the request for proposals, including price and
16 evaluation factors. Notwithstanding any provision of the general
17 statutes to the contrary, each state agency awarding a contract through
18 competitive negotiation shall include price as an explicit factor in the
19 criteria in the request for proposals and for the contract award. In
20 considering past performance of a bidder for the purpose of
21 determining the "lowest responsible qualified bidder" or the "highest
22 scoring bidder in a multiple criteria bid", the commissioner shall
23 evaluate the skill, ability and integrity of the bidder in terms of the
24 bidder's fulfillment of past contract obligations and the bidder's
25 experience or lack of experience in delivering supplies, materials,
26 equipment or contractual services of the size or amount for which bids
27 have been solicited. In determining the lowest responsible qualified
28 bidder for the purposes of this section, the commissioner may give a
29 price preference of up to ten per cent for (A) the purchase of goods made
30 with recycled materials or the purchase of recyclable or remanufactured
31 products if the commissioner determines that such preference would
32 promote recycling or remanufacturing. As used in this subsection,
33 "recyclable" means able to be collected, separated or otherwise
34 recovered from the solid waste stream for reuse, or for use in the
35 manufacture or assembly of another package or product, by means of a
36 recycling program which is reasonably available to at least seventy-five
37 per cent of the state's population, "remanufactured" means restored to
38 its original function and thereby diverted from the solid waste stream
39 by retaining the bulk of components that have been used at least once
40 and by replacing consumable components and "remanufacturing"
41 means any process by which a product is remanufactured; (B) the
42 purchase of motor vehicles powered by a clean alternative fuel; (C) the
43 purchase of motor vehicles powered by fuel other than a clean
44 alternative fuel and conversion equipment to convert such motor
45 vehicles allowing the vehicles to be powered by either the exclusive use
46 of clean alternative fuel or dual use of a clean alternative fuel and a fuel
47 other than a clean alternative fuel. As used in this subsection, "clean
48 alternative fuel" means natural gas, electricity, hydrogen or propane
49 when used as a motor vehicle fuel; (D) the purchase of goods or services

50 from a veteran-owned business. As used in this subsection, "veteran-
51 owned business" means a business of which at least fifty-one per cent of
52 the ownership is held by one or more veterans and "veteran" means any
53 person (i) honorably discharged from, or released under honorable
54 conditions from active service in, the armed forces, as defined in section
55 27-103, or (ii) with a qualifying condition, as defined in said section, who
56 has received a discharge other than bad conduct or dishonorable from
57 active service in the armed forces; or [(D)] (E) the purchase of goods or
58 services from a micro business, except that, in the case of a veteran-
59 owned micro business, the commissioner may give a price preference of
60 up to fifteen per cent. As used in this subsection, "micro business" means
61 a business with gross revenues not exceeding three million dollars in the
62 most recently completed fiscal year, "veteran-owned micro business"
63 means a micro business of which at least fifty-one per cent of the
64 ownership is held by one or more veterans, [and "veteran" means any
65 person (i) honorably discharged from, or released under honorable
66 conditions from active service in, the armed forces, as defined in section
67 27-103, or (ii) with a qualifying condition, as defined in said section, who
68 has received a discharge other than bad conduct or dishonorable from
69 active service in the armed forces.] All other factors being equal,
70 preference shall be given to supplies, materials and equipment
71 produced, assembled or manufactured in the state and services
72 originating and provided in the state. Except with regard to contracts
73 that may be paid for with United States Department of Transportation
74 funds, if any such bidder refuses to accept, within ten days, a contract
75 awarded to such bidder, such contract may be awarded to the next
76 lowest responsible qualified bidder or the next highest scoring bidder in
77 a multiple criteria bid, whichever is applicable, and so on until such
78 contract is awarded and accepted. Except with regard to contracts that
79 may be paid for with United States Department of Transportation funds,
80 if any such proposer refuses to accept, within ten days, a contract
81 awarded to such proposer, such contract shall be awarded to the next
82 most advantageous proposer, and so on until the contract is awarded
83 and accepted. There shall be a written evaluation made of each bid. This
84 evaluation shall identify the vendors and their respective costs and

85 prices, document the reason why any vendor is deemed to be
86 nonresponsive and recommend a vendor for award. A contract valued
87 at one million dollars or more shall be awarded to a bidder other than
88 the lowest responsible qualified bidder or the highest scoring bidder in
89 a multiple criteria bid, whichever is applicable, only with written
90 approval signed by the Commissioner of Administrative Services and
91 by the Comptroller. The commissioner shall post on the department's
92 Internet web site all awards made pursuant to the provisions of this
93 section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2021</i>	4a-59(c)

VA *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Various State Agencies	GF - Potential Cost	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill provides a price preference of ten percent for the purchase of goods or services from veteran-owned businesses when determining the lowest responsible qualified bidder in state contracting.

This may increase the cost of certain contracts if contracts that would otherwise be awarded to the lowest qualified bidder are awarded to veteran contractors instead.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**HB 5736*****AN ACT CONCERNING PRICE PREFERENCES FOR VETERAN-OWNED BUSINESSES IN STATE CONTRACTING.*****SUMMARY**

This bill allows the Department of Administrative Services (DAS) to give a 10% price preference to veteran-owned businesses when awarding open market orders or contracts. Under it, a “veteran-owned business” is any business in which at least 51% ownership is held by one or more veterans. (A price preference is the percentage by which a bid may be reduced for purposes of awarding a contract to the lowest qualified bidder.)

Existing law, unchanged by the bill, allows DAS to give a price preference of up to 15% for veteran-owned micro businesses (i.e., those with gross revenues of up to \$3 million).

EFFECTIVE DATE: October 1, 2021

BACKGROUND***Eligible Veterans***

A “veteran” is anyone who was (1) honorably discharged or released from active service in the U.S. Armed Forces or their reserve components or (2) discharged under conditions other than dishonorable or for bad conduct and has a qualifying condition (i.e., a diagnosis of post-traumatic stress disorder or traumatic brain injury or a disclosed military sexual trauma).

Related Bill

HB 5592, favorably reported by the Veterans’ Affairs Committee, expands the general definition of “veteran” under state law to include

those released with an other than honorable discharge based on specified qualifying conditions (e.g., military sexual trauma experience, a qualifying mental health condition, sexual orientation, or gender identity or expression), as determined under the bill. In doing so, it expands eligibility for any statutory programs or benefits that reference this definition.

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable

Yea 17 Nay 0 (03/18/2021)