



Senate

General Assembly

File No. 224

February Session, 2022

Senate Bill No. 344

Senate, March 30, 2022

The Committee on Veterans' Affairs reported through SEN. CABRERA of the 17th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

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

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 2022 supplement to
2 the general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective October 1, 2022*):

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

15 state, in accordance with the criteria set forth in the request for
16 proposals, including price and evaluation factors.

17 (2) Notwithstanding any provision of the general statutes, [to the
18 contrary,] each state agency awarding a contract through competitive
19 negotiation shall include price as an explicit factor in the criteria in the
20 request for proposals and for the contract award. In considering past
21 performance of a bidder for the purpose of determining the "lowest
22 responsible qualified bidder" or the "highest scoring bidder in a multiple
23 criteria bid", the commissioner shall evaluate the skill, ability and
24 integrity of the bidder in terms of the bidder's fulfillment of past contract
25 obligations and the bidder's experience or lack of experience in
26 delivering supplies, materials, equipment or contractual services of the
27 size or amount for which bids have been solicited.

28 (3) In determining the lowest responsible qualified bidder for the
29 purposes of this section, the commissioner may give a price preference
30 of up to ten per cent for:

31 (A) [the] The purchase of goods made with recycled materials or the
32 purchase of recyclable or remanufactured products if the commissioner
33 determines that such preference would promote recycling or
34 remanufacturing. As used in this subsection, (i) "recyclable" means able
35 to be collected, separated or otherwise recovered from the solid waste
36 stream for reuse, or for use in the manufacture or assembly of another
37 package or product, by means of a recycling program [which] that is
38 reasonably available to at least seventy-five per cent of the state's
39 population, (ii) "remanufactured" means restored to its original function
40 and thereby diverted from the solid waste stream by retaining the bulk
41 of components that have been used at least once and by replacing
42 consumable components, and (iii) "remanufacturing" means any
43 process by which a product is remanufactured;

44 (B) [the] The purchase of motor vehicles powered by a clean
45 alternative fuel;

46 (C) [the] The purchase of motor vehicles powered by fuel other than

47 a clean alternative fuel and conversion equipment to convert such motor
48 vehicles allowing the vehicles to be powered by either the exclusive use
49 of clean alternative fuel or dual use of a clean alternative fuel and a fuel
50 other than a clean alternative fuel. As used in this subsection, "clean
51 alternative fuel" means natural gas, electricity, hydrogen or propane
52 when used as a motor vehicle fuel; [or]

53 (D) [the] The purchase of goods or services from a micro business. As
54 used in this subsection, "micro business" means a business with gross
55 revenues not exceeding three million dollars in the most recently
56 completed fiscal year; or

57 (E) The purchase of goods or services from a veteran-owned business,
58 except that, in the case of a veteran-owned micro business, the
59 commissioner may give a price preference of up to fifteen per cent. As
60 used in this subsection, ["micro business" means a business with gross
61 revenues not exceeding three million dollars in the most recently
62 completed fiscal year,] (i) "veteran-owned business" means a business
63 of which at least fifty-one per cent of the ownership is held by one or
64 more veterans, (ii) "veteran-owned micro business" means a micro
65 business of which at least fifty-one per cent of the ownership is held by
66 one or more veterans, and (iii) "veteran" has the same meaning as
67 provided in section 27-103.

68 (4) All other factors being equal, preference shall be given to supplies,
69 materials and equipment produced, assembled or manufactured in the
70 state and services originating and provided in the state.

71 (5) (A) Except with regard to contracts that may be paid for with
72 United States Department of Transportation funds, if any such bidder
73 refuses to accept, within ten days, a contract awarded to such bidder,
74 such contract may be awarded to the next lowest responsible qualified
75 bidder or the next highest scoring bidder in a multiple criteria bid,
76 whichever is applicable, and so on until such contract is awarded and
77 accepted.

78 (B) Except with regard to contracts that may be paid for with United

79 States Department of Transportation funds, if any such proposer refuses
 80 to accept, within ten days, a contract awarded to such proposer, such
 81 contract shall be awarded to the next most advantageous proposer, and
 82 so on until the contract is awarded and accepted.

83 (6) 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	October 1, 2022	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 23 \$	FY 24 \$
Various	All Funds - Potential Cost	See Below	See Below

Note: All Funds=All Funds

Municipal Impact: None

Explanation

This bill allows the Department of Administrative Services (DAS) to give up to a 10% price preference to veteran-owned businesses when awarding open market orders or contracts to buy goods or services. (A price preference is the percentage by which a bid may be reduced when awarding a contract to the lowest qualified bidder.)

A 10% price preference for veteran-owned businesses may increase the cost of certain contracts (or goods or services) if contracts that would otherwise be awarded to the lowest qualified bidder are awarded to veteran-owned businesses instead.

The Out Years

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

OLR Bill Analysis**SB 344****AN ACT CONCERNING STATE CONTRACTING PRICE PREFERENCES FOR VETERAN-OWNED BUSINESSES.****SUMMARY**

This bill allows the Department of Administrative Services (DAS) to give up to a 10% price preference to veteran-owned businesses when awarding open market orders or contracts to buy goods or services. 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 when 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).

The bill also makes technical changes.

EFFECTIVE DATE: October 1, 2022

BACKGROUND***Eligible Veterans***

By law, a “veteran” is anyone who was honorably discharged, released under honorable conditions, or released with an other than honorable discharge based on a qualifying condition from active service in the armed forces. A “qualifying condition” is a diagnosis of post-traumatic stress disorder or traumatic brain injury, a disclosed military sexual trauma, or a determination that sexual orientation, gender identity, or gender expression was more likely than not the primary reason for the other than honorable discharge (CGS § 27-103, as amended by PA 21-79).

COMMITTEE ACTION

Veterans' Affairs Committee

Joint Favorable

Yea 16 Nay 0 (03/15/2022)