

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1106  
**Version:** First engrossment

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**Subject:** Dedicating a Percent of State Procurements to Business Owners and Disabled Vets

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### Overview

This bill requires the Commissioner of Administration to ensure that businesses owned by service-disabled veterans receive a percent of certain state procurements and provides bid preference to the same group.

#### Section

#### **1 Designation of procurements from service-disabled, veteran-owned business.**

##### **Subd. 1. Definitions.**

- (a) Defines terms used in section 16C.165.
- (b) “Service-disabled, veteran-owned business” means:
  - Any entity that meets the following criteria:
    - a Minnesota vendor;
    - does not exercise a controlling influence on its industry or field;
    - at least 51 percent owned by service-disabled veteran;
    - disabled vets control the day-to-day business; and
    - a “small business” as defined in section 16C.16.
- (c) “Service-disabled veteran” means a veteran who is ten percent or more disabled.

## Section

**Subd. 2. Service-disabled, veteran-owned business certification.** Upon request, directs the Commissioner of Administration to certify qualified entities as service-disabled, veteran-owned businesses.

**Subd. 3. Service-disabled, veteran-owned business procurements.** Directs the Commissioner of Administration to solicit bids from service-disabled, veteran-owned businesses.

**Subd. 4. Professional or technical procurements.** Directs every state agency to award at least six percent of their annual professional and technical procurements to service-disabled, veteran-owned businesses.

**Subd. 5. Purchasing methods.** Directs the Commissioner of Administration to award up to a six percent preference to service-disabled, veteran-owned businesses for the purchase for specified goods or services. Details the factors that authorize the commissioner to waive the preference requirement. Encourages the commissioner to set goals and incentives for contractors awarded contracts for construction, technical, and professional services to employ subcontractors that are certified service-disabled, veteran-owned businesses.

**Subd. 6. Service-disabled, veteran-owned businesses.** States the purpose for extending preference to certified service-disabled, veteran-owned businesses.

**Subd. 7. Surety bond.** Establishes surety bond requirements for this proposed section of law.

**Subd. 8. Limits.** Requires that at least 75 percent of a contract awarded to a service-disabled, veteran-owned business must be performed by the business itself or by another certified service-disabled, veteran-owned business.

**Subd. 9. Procurement procedures.** Clarifies that all other laws that govern government procurements apply to certified service-disabled, veteran-owned businesses unless there is a conflict, in which case this proposed section of law governs.

**Subd. 10. Applicability.** Exempts contracts that are funded with federal funds from the requirements of this section.