

SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2675

As Amended by House Committee of the Whole

Brief*

HB 2675, as amended, would revise provisions of the State Use Law as it pertains to bidding preferences for state contracts, certified businesses, and procurement negotiating committees and add definitions for “disabled veteran” and “disabled veteran business.”

The bill would establish a new preference for awarding state job or service contracts to disabled veteran businesses in Kansas. The Secretary of Administration would have the goal to award at least 3.0 percent of all state contracts to disabled veteran businesses. By October 1, 2015, the Secretary of Administration would file with the Veterans Affairs Commission a report of the number of contracts awarded to disabled veteran businesses during FY 2015 and the number of such businesses that responded to state bids. “Disabled veteran” would mean a person who has served in the U.S. armed forces and who is entitled to compensation for either a service-connected disability or a permanent, physical loss. “Disabled veteran business” would mean a business that has disabled veterans owning a majority of the business and where its daily operations are managed by disabled veterans.

The definition of “certified business,” as that term is used in the State Use Law, a program that encourages state agencies, institutions, and school districts to purchase goods and services from businesses that employ Kansans with disabilities, would be amended. In order to be certified by the Director of Purchases, and in addition to other requirements, at least 20 percent of the business’s employees must be

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Kansas residents with disabilities, and the level of health insurance coverage must be equal to the level of benefits received by state employees. The bill would reduce the employment requirement from 20 percent to 10 percent. The bill also would remove the equivalent level of benefits standard that certified businesses currently must meet.

In certain instances, when a state agency plans to purchase services or technical products, a procurement negotiating committee, consisting of representatives of that agency, the Division of Purchases, and the Department of Administration, may be appointed to negotiate the terms of the agreement. The bill would allow negotiating committees to consider the involvement of certified businesses.

Background

During the House Committee hearing, Representative Crum and representatives of not-for-profit organizations and certified businesses spoke in favor of the bill, stating the legislation would clarify and broaden the applicability of the Bidder Preference Program. There was no neutral or opponent testimony.

The House Committee on Commerce, Labor, and Economic Development amended the bill by deleting the term “wholesaler,” which was proposed to be included in the “certified business” definition, and inserting the term “distributor” in its place.

The House Committee of the Whole amended the bill to:

- Include a bidding preference for disabled veteran businesses in Kansas, equal to 3 percent of all contracts awarded; and
- Require the results of the bidding preference during FY 2015 to be reported to the Veterans Affairs Commission by October 1, 2015.

No fiscal note was available at the time the House Committee of the Whole amended the bill.