



# HOUSE BILL 954: Qualified Disabled Veteran Preference.

2019-2020 General Assembly

<b>Committee:</b>	House Homeland Security, Military, and Veterans Affairs. If favorable, re-refer to Appropriations, General Government. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	June 11, 2019
<b>Introduced by:</b>	Reps. Jarvis, Horn, Potts	<b>Prepared by:</b>	Jennifer Bedford
<b>Analysis of:</b>	PCS to First Edition H954-CSTT-34		Billy Godwin Committee Counsel

**OVERVIEW:** *The PCS for House Bill 954 would create a preference by requiring that a qualified disabled veteran-owned business that bids within 10% of the lowest bid received, be given an opportunity to match that bid for a State construction or repair contract.*

**CURRENT LAW:** Article 8 of Chapter 143 of the General Statutes sets out the general law for awarding contracts for State construction or repair work. Depending on the amount of public money expended, State construction or repair contracts are subject to formal competitive bidding, informal competitive bidding or no competitive bidding. Competitively bid contracts are awarded to the lowest responsible, responsive bidder.

Formal competitive bidding requirements apply to contracts for State construction or repair work requiring the estimated expenditure of public money in an amount equal to or more \$500,000. Formal competitive bid procedure requires bid proposals to be solicited by newspaper advertisement, under seal, accompanied by a bid deposit, publically opened, and a minimum of three bids. Informal competitive bidding requirements apply to State construction or repair work requiring an expenditure of public money in an amount equal to or more than \$90,000 but less than \$500,000. Informal competitive bids are not required to be solicited through newspaper advertisements nor must they be sealed, accompanied by a deposit, publically opened or subject to a three-bid minimum. Contracts for State construction or repair work requiring the expenditure of public money of less than \$30,000 are not subject to competitive bidding.

State law does not provide for the use of preferences in any construction or repair contracts. It does however, establish a ten percent (10%) participation goal for use of historically underutilized businesses (HUB) in State building projects costing \$300,000 or more. A HUB is defined as a business owned at least 51% by a Black, Hispanic, Asian American, American Indian, female, one disabled or disadvantaged. A HUB business must still be the lowest responsible, responsive bidder to be awarded a contract.

**BILL ANALYSIS:**

**Section 1 of the PCS for House Bill 954** would create a preference by requiring that a qualified disabled veteran-owned business that bid within 10% of the lowest responsible, responsive bid received on a State construction or repair contract, be given the opportunity to match that bid.

A veteran-owned business is eligible for the preference if:

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# House PCS 954

Page 2

- The business is owned by one or more qualified disabled veterans, allowing for a spouse's interest of no greater than 50%.
- The veteran-owned business owner has at least a 60% disability rating for a disability incurred in the line of military service.
- The veteran-owned business is a responsible, responsive bidder.
- The veteran-owned business provided a bid within 10% of the lowest bid responsible, responsive received.
- The lowest responsible, responsive bid was not provided by another qualified disabled veteran-owned business.
- The veteran-owned business includes specified supporting documents with the bid.

**Section 1 of the PCS for House Bill 954** would also:

- Define terms.
- State the intent to promote the use of qualified disabled veteran-owned businesses without the loss of quality or the increase of expense.
- Clarify that failure to maintain the required qualification would result in ineligibility for future preference consideration.

**Section 2 of the PCS for House Bill 954** would provide a \$10,000 appropriation to the State Construction Office to implement the preference.

**EFFECTIVE DATE:** This act would become effective October 1, 2019, and apply to State construction or repair contract bids submitted on or after that date.