

Fiscal Estimate Narratives
DOT 6/3/2009

LRB Number	09-0066/1	Introduction Number	AB-0228	Estimate Type	Original
Description Awarding state procurements to certified disabled veteran-owned businesses, providing an exemption from emergency rule procedures, and requiring the exercise of rule-making authority					

Assumptions Used in Arriving at Fiscal Estimate

This bill gives disabled veteran owned businesses a 5% preference on procurement bids which is similar to the current MBE program. This bill would also make disabled veteran owned businesses eligible for DBE grants.

Currently, purchasing staff in the agency include standard boilerplate language in the bidding process explaining the preference requirements for MBE businesses. This would require drafting new language to include disabled veteran owned businesses as well. The DBE program is a federal program, and the agency does not have the discretion to add additional businesses to that grant program. Another problem foreseen in this bill is that it is in competition with the Minority Business Enterprise requirements and goals. The LRB analysis does not state which preference takes precedent over the other. Furthermore, this bill creates an additional reporting requirement for agencies, similar to the Minority Business Enterprise reporting.

This bill would require some additional workload for purchasing staff. The majority of workload issues would be handled by DOA.

This bill may violate federal contracting law, as it applies to federally-funded highway projects. 23 USC 112 and 23 CFR 635.117 generally require competitive bidding for those contracts, subject to limited preference exceptions that do not include veterans.

Long-Range Fiscal Implications