

ALERTS

Governmental Services Alert - Indiana General Assembly Introduces Bills To Assist Service Disabled Veteran Owned Businesses; Governor Pence Signs Executive Order Aiding All Veteran Owned Businesses

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The Indiana General Assembly is currently considering two measures aimed at increasing the ability of Service Disabled Veteran Owned (SDVO) businesses in Indiana to obtain more State contracts. The two bills are currently under review by the Indiana House Committee on Veterans Affairs and Public Safety. In addition, newly-elected Indiana Governor Mike Pence signed an executive order that seeks to increase the number of state contracts awarded to all veteran-owned businesses.

House Bill 1252 was introduced by Rep. Cindy Kirchhofer (R) of District 89 and Rep. Jeff Thompson (R) of District 28. House Bill 1252 changes the name of the Governor's Commission on Minority and Women's Business Enterprises (MWBE) to the governor's commission on Minority, Women's, and Service Disabled Veterans' Business Enterprises. It allows SDVO businesses to be given the same preference as minority and women-owned businesses. The Commission is specifically required to: (1) Identify SDVO businesses; (2) assess the needs of those businesses; and (3) initiate "aggressive programs" to help SDVO businesses acquire state contracts. The law calls for the creation of a mailing list and statewide repository of certified entities for use by state agencies when contracting for goods or services. The bill further requires the Commission to establish annual goals for the use of SDVO businesses in state contracts and report to the Legislature on the progress of those goals.

In addition, Rep. Kirchhofer, along with Rep. Mara Reardon (D) of District 12 in Munster, introduced House Bill 1260. This bill permits state agencies to set aside certain contracts, exclusively for SDVO businesses. It directs the Department of Administration to set-aside certain public works projects exclusively for SDVO business. The Indiana Economic Development Corporation (IEDC) is also tasked with maintaining a comprehensive list of SDVO businesses and structuring state contracts to better accommodate those businesses. The bill contains the criteria for the certification of an SDVO business. The Department of Administration, beginning in 2014, would submit to the legislative counsel and the governor an annual report regarding the progress of state agencies in meeting the goal of having 3 percent of state contracts awarded to SDVO businesses.

While these two pieces of legislation are specific to service disabled veteran business owners, all veteran-owned businesses received a boost by newly-elected Governor Mike Pence. On his first day in office, Governor Pence signed Executive Order 13-04, establishing a goal of

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procuring 3 percent of state contracts from veteran-owned businesses generally. This measure is similar to, but will not compete with, similar goals for women-owned and minority-owned businesses. This order recognizes the higher-than-average unemployment among veterans and seeks to increase job opportunities and encourage entrepreneurship among veterans. Mayor Greg Ballard instituted a similar directive for the City of Indianapolis in June 2008.

However, no infrastructure has yet been put in place to effectuate any of these state or city goals. If the above-mentioned bills pass, the Indiana Department of Administration will be charged with developing the system by which veteran businesses can be tracked and matched with appropriate state contracts. The City of Indianapolis is expected to utilize the same system that the State creates in order to implement these goals.

We will continue to closely monitor these bills and any other changes in the law as they relate to veteran-owned businesses in Indiana. Visit us online at www.btlaw.com.

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