

SUBJECT: Encouraging vendors with state contracts to use veterans' organizations

COMMITTEE: Defense and Veterans' Affairs — favorable, without amendment

VOTE: 5 ayes — Chavez, Edwards, Maldonado, Pickett, C. Turner
0 nays
4 absent — Corte, Vaught, Farias, Ortiz

SENATE VOTE: On final passage, April 21 — 30-0

WITNESSES: For — Sam Guzman, Texas Association of Mexican-American Chambers of Commerce; Paul Herrera, The American G.I. Forum of Texas; Ignacio Leija, Anthony Sanchez, American G.I. Forum National Veterans Outreach Program; (*Registered, but did not testify:* Gil Rodriguez, American G.I. Forum of Texas)

Against — None

On — Tina Carnes, Texas Veterans Commission

BACKGROUND: Government Code, sec. 2155.505 requires the comptroller to encourage a vendor awarded a multiple-award contract to use a historically underutilized or small business to provide a service under that contract. The historically underutilized or small business must present documentation to the comptroller showing authorization from the vendor to provide a service. If the vendor does not make a good faith effort to use a historically-underutilized or small business, the comptroller may exclude the vendor from contracts awarded in the future.

DIGEST: SB 1958 would include veterans service agencies in the definition of small businesses that vendors would be encouraged to use in providing services. An eligible veterans service agency would be a federally tax-exempt organization that provided principally housing, substance abuse treatment, case management, or employment training to low-income, disabled, or homeless veterans and that employed veterans to provide at least 75

percent of the direct labor hours required to produce the good or services required by the vendor contract.

The bill's requirements only would apply to service or procurement contracts whose request for bids or proposals were published after September 1, 2009.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

**SUPPORTERS
SAY:**

SB 1958 would recognize the work that many veterans organizations do in providing services to veterans who are disabled, homeless, or are low-income. These groups also are involved in a variety of business services, such as manufacturing and maintenance, and help create jobs for veterans. The bill would include certain veterans groups in the state contracting process and help them continue their good work.

**OPPONENTS
SAY:**

SB 1958 would provide an unfair advantage to veterans groups over other nonprofit organizations. While assisting veterans may be important, other non-profit organizations that provide similar services should be included in the state contracting process.