

1 AN ACT relating to service-disabled veteran-owned small businesses.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 45A IS CREATED TO  
4 READ AS FOLLOWS:

5 *(1) As used in this section:*

6 *(a) "Agency" means any office, department, bureau, or other institution in*  
7 *Kentucky state government that awards contracts for purchase of property,*  
8 *goods, or services;*

9 *(b) "Cabinet" means the Finance and Administration Cabinet; and*

10 *(c) "Service-disabled veteran-owned small business set aside" means a*  
11 *purchase or contract request for which bids are to be invited and accepted*  
12 *only from service-disabled veteran-owned small business owners by the*  
13 *cabinet. "Service-disabled veteran-owned small business" shall be defined*  
14 *in administrative regulations promulgated by the cabinet.*

15 *(2) (a) A minimum of three percent (3%) of the total value of all state contracts for*  
16 *goods, equipment, construction, or services that are requested to be*  
17 *purchased by or for any agency shall be designated by the cabinet as*  
18 *service-disabled veteran-owned business set-aside contracts. A set-aside*  
19 *designation shall be made before the public notice for bids, and the notice*  
20 *shall designate this invitation as a service-disabled veteran-owned business*  
21 *set aside.*

22 *(b) When an item has been designated as a service-disabled veteran-owned*  
23 *business set aside, invitations for bids shall initially be confined to service-*  
24 *disabled veteran-owned businesses and bids from other bidders may be*  
25 *rejected.*

26 *(c) The cabinet shall award contracts to the responsible service-disabled*  
27 *veteran-owned business whose bid meets specifications and offers the best*

1                   value to the Commonwealth.  
2   (3) If fewer than three (3) service-disabled veteran-owned small businesses are  
3   considered capable of meeting the specifications and terms of the invitations for  
4   bids, or if the cabinet determines that the lowest and best bid results in an  
5   unreasonable price, the agency shall reject all bids and withdraw the designation  
6   of service-disabled veteran-owned small business set aside. The cabinet may then  
7   seek additional bids without reference to the service-disabled veteran-owned  
8   small business designation.