



STATE OF NEVADA
DEPARTMENT OF VETERANS SERVICES
6630 S. McCarran Blvd., Bldg. C, Suite 204
Reno, Nevada 89509

MEMORANDUM

DATE: October 1, 2018
TO: Rick Combs, Director of the Legislative Counsel Bureau
FROM: Katherine Miller, Director *K Miller*
RE: Biennial review of report of preferences for local businesses owned and operated by veterans with service-connected disabilities

Attached is the Nevada Department of Veterans Services (NDVS) 2018 Biennial review of report of preferences for local businesses owned and operated by veterans with service-connected disabilities, to the Nevada State Legislature.

This report fulfills the reporting requirement directed in Nevada Revised Statutes 417.105. For additional information, contact Kat Miller at millerk@veterans.nv.gov.

BRIAN SANDOVAL
Governor



STATE OF NEVADA
NEVADA DEPARTMENT OF VETERANS SERVICES
6630 S. McCarran Blvd., Bldg. C, Suite 204
Reno, Nevada 89511
(775) 688-1653 • Fax (775) 688-1656

2018 Review of the Report of Preferences for Local Businesses Owned by Veterans with Service Connected Disabilities
Pursuant to NRS 417.105 and NRS 333.3366 and NRS 338.13843

1. Background: Nevada Revised Statutes (NRS) 417.105 requires that the Nevada Department of Veterans Services (NDVS) review the "report of preferences for local businesses owned by veterans with service-connected disabilities." This section refers to the reports provided by the Purchasing Division of the Department of Administration and the State Public Works Division (SPWD) of the Department of Administration outlining the number of veterans who have sought to do business with the State of Nevada using the veterans preferences outlined in NRS. Further, NDVS is to reach out to organizations in Nevada to develop recommendations for the Legislative Commission regarding the "continuation, modification, promotion or expansion of the preferences for local businesses owned by veterans with service-connected disabilities as described in NRS 333.3366 and 338.13844."

a. NRS 333.3366: This statute outlines the preference for veterans with service-connected disabilities who are bidding on or submitting a proposal to provide a service to the State through the State Purchasing Division. It stipulates that:

(1) "A local business owned and operated by a veteran with a service-connected disability submits a bid or proposal for a contract for which the estimated cost is more than \$50,000 but not more than \$250,000 and is a responsive and responsible bidder, the bid or proposal shall be deemed to be 5 percent lower than the bid or proposal actually submitted."

(2) "A local business owned and operated by a veteran with a service-connected disability which is determined to be 50 percent or more by the United States Department of Veterans Affairs submits a bid or proposal for a contract for which the estimated cost is more than \$250,000 but less than \$500,000 and is a responsive and responsible bidder, the bid or proposal shall be deemed to be 5 percent lower than the bid or proposal actually submitted."

b. NRS 338.13844: This statute outlines the preference for veterans with service-connected disabilities who submit a bid to the SPWD. It stipulates that:

(1) "For the purpose of awarding a contract for a public work of this State for which the estimated cost is \$100,000 or less, as governed by NRS 338.13862, if a local business owned and operated by a veteran with a service-connected disability submits a bid, the bid shall be deemed to be 5 percent lower than the bid actually submitted."

(2) "For the purpose of awarding a contract for a public work of this State for which the estimated cost is more than \$100,000 but less than \$250,000, if a local business owned and operated by a veteran with a service-connected disability that has been determined to be 50 percent or more by the United States Department of Veterans Affairs submits a bid and is a responsive and responsible bidder, the bid shall be deemed to be 5 percent lower than the bid actually submitted."

2. Analysis: Preferences were established by the Nevada State Legislature to assist veterans overcome barriers to participation in the State of Nevada contracting and purchasing systems. A review of reports submitted by SPWD reveal that four businesses have qualified for SPWD preferences since the inception of the program and that there is no recent record of contracts awarded to any business owned by Veteran with a service related disability under preference programs established by NRS 338. A review of the report submitted by the State Purchasing Division reveal that no State purchasing contracts were awarded to local businesses owned by veterans with service-connected disabilities under the provisions of NRS 333.

3. Actions Taken to Increase Program Participation: On September 20, 2018 the Secretary of State adopted the NDVS recommendation to create a field on their Silverflume website business license application to indicate if a business is veteran owned. This will allow State agencies to inform veteran owned businesses of these and other preferences and may result in an increase in their use. Previously there was no option to indicate veteran or service member status when establishing or starting a business.

4. Additional Recommendations: Preferences were established by the Nevada State Legislature to assist veterans whose time away from their communities may create barriers to participation in the State of Nevada contracting and purchasing systems. Because these preferences are not being used in significant numbers we recommend that:

a. Nevada veteran-owned businesses are surveyed to determine why they are not submitting bids or proposals for formal contracts pursuant to NRS 333.300 in anticipated numbers.

b. State Purchasing Division and SPWD review and report reasons that veteran-owned business and disabled veteran owned business who do submit bids and proposals are not qualifying, and provide this information to NDVS for inclusion in the next annual submission of this report.

c. NDVS, SPWD, State Purchasing Division, and the Governor's Office of Economic Development develop an information campaign to ensure Nevada Veteran owned and operated business men and women are aware of these preferences.

d. While the subject statutes establish veteran preferences, they do not establish goals. SPWD and State Purchasing Division should consider establishing goals to award a specific percentage of its total dollar amount of awarded bid contracts to local

businesses owned by a veteran with a service-connected disability. Doing so might motivate staff to seek out such businesses and include them on distribution lists for solicitations for certain requirements or take other actions to increase awareness of and participation in these veteran preference programs.

5. Conclusion: As discussed above, changes to NRS 333 and 338 adopted during the 78th Legislative Session may increase opportunities for veteran owned and operated businesses who wish to submit bids and proposals. The actions taken by the Secretary of State to help NDVS identify veteran owned businesses may help veteran preference utilization rates. However, it would be prudent to adopt the additional recommendations in paragraph 4 above.

"Serving Nevada's Heroes,"



Katherine Miller
Director

Enclosed:

1. State Purchasing Division Report of Bids or Proposals Submitted Under the Veterans Preference Program for SFY 2018
2. SPWD Report of Bids or Proposals for SFY 2018

Department of Administration/Purchasing Division

owned by veteran with service-connected disability: Duty of Purchasing Division to report to Legislature. The Purchasing Division shall report every 6 months to the Legislature, if it is in session, or to the Interim Finance Committee, if the Legislature is not in session. The report must contain, for the period since the last report:

	October 1, 2009 to Sept. 30, 2015 TOTALS	April 1, 2016 to Sept. 30, 2016 TOTALS	October 1, 2016 to March 31, 2017 TOTALS	April 1, 2017 to Sept. 30, 2017 TOTALS	October 1, 2017 to March 31, 2018 TOTALS
1. Number of state purchasing bid contracts that were subject to the provisions of NRS 333.3361 to 333.3369, inclusive.	659	49	42	51	38
2. Total dollar amount of awarded bid contracts that were subject to the provisions of NRS 333.3361 to 333.3369, inclusive	\$450,685,073.24	\$62,752,662.97	\$20,645,892.24	\$21,567,315.02	21,511,799.34
3. (a) The number of local business owned and operated* by veterans with service-connected disabilities that submitted a bid or proposal for a contract for which the estimated cost is more than \$50,000 but not more than \$250,000 and is a responsive & responsible bidder, the bid or proposal shall be deemed to be 5 percent lower than the bid or proposal actually submitted on a state purchasing contract.	3	0	0	0	0
(b) A local business owned and operated by a veteran with a service-connected disability which is determined to be 50 percent or more by the United States Department of Veterans Affairs submits a bid or proposal for a contract for which the estimated cost is more than \$250,000 but less than \$500,000 and is a responsive & responsible bidder, the bid or proposal shall be deemed to be 5 percent lower than the bid or proposal actually submitted. *		0	0	0	0

4. The number of state purchasing contracts that were awarded to local businesses owned **and operated*** by veterans with service-connected disabilities.

1

0

0

0

0

5. The total number of dollars worth of state purchasing contracts that were awarded to local businesses owned **and operated*** by veterans with service-connected disabilities.

\$134,998.50

\$0.00

\$0.00

\$0.00

\$0.00

*language changed per AB62, effective July 1, 2015

David Johnson

From: Benjamin Miller
Sent: Thursday, September 27, 2018 12:27 PM
To: Kim Donohue; Jennie B. Humphreys
Cc: David Johnson
Subject: RE: 2018 Review of the Report of Preferences for Local Businesses Owned by Veterans with Service Connected Disabilities

Kim below is the data you requested.

	April 1, 2018 to June 30, 2018 TOTALS
1. Number of state purchasing bid contracts that were subject to the provisions of NRS 333.3361 to 333.3369, inclusive.	30
2. Total dollar amount of awarded bid contracts that were subject to the provisions of NRS 333.3361 to 333.3369, inclusive	\$7,918,770.00
3. The number of local business owned by veterans with service-connected disabilities that submitted a bid or proposal on a state purchasing contract.	0
4. The number of state purchasing contracts that were awarded to local businesses owned by veterans with service-connected disabilities.	0
5. The total number of dollars worth of state purchasing contracts that were awarded to local businesses owned by veterans with service-connected disabilities.	0

Thank you,

Ben Miller, Nevada Business Coordinator
Nevada State Purchasing Division
515 E. Musser St., Ste. 300, Carson City, NV 89701
(775) 684-0170 Main
(775) 684-0186 Direct
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B.Miller@admin.nv.gov

****VENDORS PLEASE NOTE:** State Purchasing has a NEW vendor management and procurement system. Please register at <https://nevadaepro.com> to sign up to receive solicitation notifications.**

From: Kim Donohue
Sent: Tuesday, September 25, 2018 10:05
To: Jennie B. Humphreys <jbhumphreys@admin.nv.gov>
Cc: David Johnson <johnsond@veterans.nv.gov>; Benjamin Miller <b.miller@admin.nv.gov>
Subject: RE: 2018 Review of the Report of Preferences for Local Businesses Owned by Veterans with Service Connected Disabilities

Hello Jennie & Ben,

Department of Administration / State Public Works Division

NRS 338.13846 Preference for big or proposals submitted by local business owned by veteran with service-connected disability: Duty of Public Works Division to report to Legislature. The Public Works Division shall report every 6 months to the Legislature, if it is in session, or to the Interim Finance Committee, if the Legislature is not in session. The report must contain, for the period since the last report:

	July 1, 2016 to December 31, 2016 Totals	January 1, 2017 to June 30, 2017 Totals	July 1, 2017 to December 31, 2017 Totals	January 1, 2018 to June 30, 2018 Totals
1. Number of Public Works contracts that were subject to provisions of NRS 338.1384 to 338.13847, inclusive.	67	67	47	40
2. Total dollar amount of awarded bid contracts that were subject to the provisions of NRS 338.1384 to 338.13847, inclusive.	\$3,381,568.00	\$2,859,996.00	\$1,457,031.00	\$1,900,335.51
3. The number of local businesses owned by veterans with service-connected disabilities that submitted a bid or proposal on Public Works contracts.	4	4	1	1
4. The number of Public Works contracts that were awarded to local businesses owned by veterans with service-connected disabilities.	2	0	1	1
5. The total number of dollars' worth of Public Works contracts that were awarded to local businesses owned by veterans with service-connected disabilities.	\$228,644.00	\$0.00	\$1,300.00	\$22,600

July 15, 2018