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Governor



STATE OF NEVADA

NEVADA DEPARTMENT OF VETERANS SERVICES

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**2020 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 338.13844

1. Background:

a. In 2009 the State of Nevada established veteran-owned business preferences to assist veterans overcome barriers to participation in the State of Nevada contracting and purchasing systems.

b. Nevada Revised Statutes (NRS) 417.105 state that the Nevada Department of Veterans Services (NDVS) shall to make recommendations to the Legislative Commission regarding the continuation, modification, promotion or expansion of the preferences for local businesses owned and operated by veterans with service-connected disabilities on or before October 1 of each even-numbered year.

c. This review is to be based on a review of reports submitted by the Department of Administration's Purchasing Division and Public Works Division (SPWD) that outline the number of veterans who have sought to do business with the State of Nevada using the referenced veterans preferences as described in NRS 333.3366 and 338.13844.

(1) 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:

(a) "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."

(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 and responsible bidder, the bid or proposal shall be deemed to be 5 percent lower than the bid or proposal actually submitted."

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NRS 338.13846: This statute outlines the preference for veterans with service-connected disabilities who submit a bid to the SPWD. It stipulates that:

(a) "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."

(b) "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:

a. State Purchasing Veterans Preference Program:

(1) A review of the reports submitted by the State Purchasing Division reveal that in SFY 2019-2020 there were 209 state purchasing bid contract opportunities under these preference programs for businesses owned by veterans with service-connected injuries. However, no qualified veterans placed bids or were awarded contracts.

(2) In the past four years, several outreach programs have been implemented to inform Nevada business owners about these preferences. Based on the lack of program participation, we believe that either (1) veterans are not aware of these programs, or (2) veterans are not interested in these programs.

b. SPWD Veterans Preference Program:

(1) A review of reports submitted by SPWD reveal that in SFY 2020 there were 40 SPWD contract bid opportunities under preference programs outlined under 338.13846. The total dollar amount of these contracts was \$1,982,380.16. We are still gathering and analyzing SFY 2019 data and will submit a supplemental report when the 2019 analysis is complete.

(2) A total of five local businesses owned and operated by veterans with service-connected disabilities submitted a bid on a contract for a public work of this State and four of these businesses were awarded contracts. The total dollar amount of these contracts was \$1,025.00.

(3) As with the State Purchasing Veterans Preference Program, the SPWD Veterans Preference Program lacks significant participation, likely because either (1) veterans are not aware of these programs, or (2) veterans are not interested in these programs.

3. Recommendations:

a. Information regarding these programs is not currently distributed in a targeted manner. In late 2018, the Nevada 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 to increase participation in this veteran's preference program. Previously there was no option to indicate veteran or service member status when establishing or starting a business. NDVS should continue to work with the Office of the Secretary of State to connect with veterans who own businesses, using SilverFlume information, to share information regarding these preferences.

b. if a significant increase in use is not observed after sharing information with veteran-owned businesses via SilverFlume-enabled outreach, veteran-owned businesses should be surveyed determine why they are not submitting bids or proposals for formal contracts pursuant to NRS 333.300 in anticipated numbers.

c. State Purchasing Division and SPWD should ask those veteran owned businesses who do apply for preference how they learned of the program to determine which outreach efforts are effective and provide this information to NDVS for inclusion in the next annual submission of this report.

d. NDVS, SPWD, State Purchasing Division, and the Governor's Office of Economic Development should continue to develop information campaigns to ensure Nevada Veteran owned and operated businessmen and women are aware of these preferences.

"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 2019 and 2020
2. SPWD Report of Bids or Proposals for 2020