



1 implemented the requirements of this chapter.

2 (2) "Contract" means a mutually binding legal relationship or any modification thereof  
3 obligating the seller to furnish supplies or services, including construction, and the buyer to pay  
4 for them. For purposes of this chapter, a lease is a contract.

5 (3) "Contractor" means one who participates, through a contract or subcontract, in any  
6 procurement or program covered by this chapter and includes lessees and material suppliers.

7 (4) "Noncompliance" means the condition existing when a recipient or contractor has  
8 failed to implement the requirements of this chapter.

9 (5) "Veteran" shall mean all forms of military service members that are defined in chapter  
10 22 of title 30.

11 (6) "Veteran-owned small business enterprise" means a business that has been verified by  
12 the United States Department of Veterans' Affairs in accordance with 38 CFR 74, and may  
13 include a business owned by a surviving spouse or permanent caregiver of a veteran as provided  
14 by 38 CFR part 74.

15 **37-14.2-4. Veteran-owned small business enterprise participation.** - The state annual  
16 goal for veteran-owned small business enterprises to participate in state contracts shall be no less  
17 than three percent (3%) of the total value of all contracts available to businesses in each fiscal  
18 year. The director of the department of administration is further authorized and directed to  
19 establish by rules and regulation formulas for giving veteran-owned small business enterprises a  
20 preference in all procurements and construction projects and in contract and subcontract awards.

21 **37-14.2-5. Establishment of criteria, guidelines and certification.** -- (a) The director of  
22 the department of administration shall in consultation with the division of veterans' affairs  
23 establish, by rule and regulations adopted in accordance with chapter 35 of title 42, standards  
24 which shall determine whether a construction project is covered by this chapter, compliance  
25 formulas, procedures for implementation, and procedures for enforcement which are not  
26 inconsistent with 49 CFR 23. As to Rhode Island department of transportation contracts, the  
27 director of administration may delegate this authority to the director of transportation.

28 (b) The director of the department of administration may establish additional criteria to  
29 certify veteran-owned small business enterprises and maintain and update publicly accessible lists  
30 of veteran-owned small business enterprises that are certified by the department.

31 **37-14.2-6. Sanctions.** -- (a) The director of the department of administration shall have  
32 the power to impose sanctions upon contractors not in compliance with this chapter and shall  
33 include, but not be limited to:

34 (1) Suspension of payments;

1           (2) Termination of the contract;  
2           (3) Recovery by the state of ten percent (10%) of the contract award price as liquidated  
3 damages; and

4           (4) Denial of right to participate in future projects for up to three (3) years.

5           (b) As to Rhode Island department of transportation contracts, the director of the  
6 department of administration may delegate this authority to the director of transportation.

7           **37-14.2-7. Reporting. --** By August 1, 2017 and each August 1 thereafter, the department  
8 of administration shall submit an annual report to the governor, speaker of the house, senate  
9 president and associate director of veterans' affairs for the period from July 1 to June 30 on the  
10 actual utilization of veteran-owned small business enterprises as contractors, subcontractors,  
11 suppliers and professional service providers for the state. The annual report shall include a list of  
12 all veteran-owned small businesses that participated as contractors, subcontractors, suppliers and  
13 professional service providers for the state during the previous fiscal year.

14           SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO PUBLIC PROPERTY AND WORKS

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- 1 This act would create a veteran's preference in the issuance of state contracts.
- 2 This act would take effect upon passage.

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