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**HOUSE JOINT RESOLUTION NO. 646**  
**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
(Proposed by the House Committee on Rules  
on January 28, 2003)

(Patron Prior to Substitute—Delegate McDonnell)

*Requesting the Department of Minority Business Enterprise, in conjunction with the Department of General Services, the Virginia Employment Commission and the Department of Transportation, to direct the development of a disparity assessment to determine the status of the participation of minority-owned businesses in the Commonwealth's procurement transactions. Report.*

WHEREAS, the growth and stability of the minority-owned business community is critical to the entire Commonwealth's economic well-being; and

WHEREAS, the Commonwealth plays an important role in supporting the establishment, preservation, and strengthening of minority-owned businesses through policies that encourage the participation of such businesses in the state's procurement transactions; and

WHEREAS, these policies include the requirement for all state entities to establish programs to facilitate the participation of minority-owned businesses and to submit annual reports on minority-owned business procurement to the Department of Minority Business Enterprise; and

WHEREAS, despite the existence of these programs at the state level for several years, previous studies have concluded that full participation in the state's procurement transactions by minority-owned businesses has not been achieved; and

WHEREAS, in a 1995 study, the Joint Legislative Audit and Review Commission, reviewing fiscal year 1995 data, found that state contracts with minority-owned businesses only amounted to 3.9 percent of the total state contracts for the year; and

WHEREAS, a joint subcommittee created pursuant to Senate Joint Resolution No. 12 (1996) further studied the issue of the participation of minority-owned businesses and found that state agency adherence to minority-owned business participation policies was inconsistent; and

WHEREAS, a second joint subcommittee created pursuant to Senate Joint Resolution No. 474 (1999) concluded that the Commonwealth should conduct a disparity assessment to obtain an independent examination that would provide a clear picture of the status of minority-owned business participation in the procurement process, including the number of minority-owned businesses available to compete for state contracts and the actual utilization of minority-owned businesses in the Commonwealth's procurement process; and

WHEREAS, since the recommendation from the SJR 474 (1999) joint subcommittee, successive annual reports on minority-owned business procurement submitted by state agencies to the Department of Minority Business Enterprise reflect a decrease in the participation of minority-owned businesses; and

WHEREAS, a disparity assessment would provide a clear and unbiased comparison of the availability of minority-owned businesses and the actual utilization of these entities by state government agencies; and

WHEREAS, such an independent examination would allow the Commonwealth to adequately judge the effectiveness of its efforts to increase minority-owned business participation in state procurement transactions; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Department of Minority Business Enterprise, in conjunction with the Department of General Services, the Virginia Employment Commission, and the Department of Transportation, be requested to direct the development of a disparity assessment to determine the status of the participation of minority-owned businesses in the Commonwealth's procurement transactions. All agencies of the Commonwealth shall provide assistance for this study, upon request, as may be available.

In conducting the disparity assessment, the Department of Minority Business Enterprise shall seek, receive, and expend gifts, grants, donations or other funds from public and private sources, including the United States government and its agencies, to provide financial support for the disparity assessment.

The Department of Minority Business Enterprise, in conjunction with the Department of General Services, the Virginia Employment Commission, and the Department of Transportation shall complete their meetings by November 30, 2003, and shall submit to the Governor and the General Assembly an executive summary and a report of its findings and recommendations. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports no later than the first day of the 2004 Regular Session of the General Assembly and shall be posted on the General Assembly's Web site.

HOUSE SUBSTITUTE

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