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## **S.F. No. 3733 – State procurement and contact provisions modification – as proposed to be amended by the A-1 Delete Everything amendment**

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**Section 1 [16C.16, subd. 6; Purchasing methods]** increases the preference, from six percent to 12 percent, that the commissioner may apply when awarding contracts for goods and services, including construction, to small targeted group businesses. Increases the limit on the size of contract, from \$25,000 to \$100,000, that the commissioner may award to a small business or small targeted group business without going through a competitive solicitation process. Eliminates an exemption that had applied to prime contractors who are small businesses or small targeted group business from requirements that the commissioner was authorized to set regarding subcontracting to small businesses and small targeted group businesses.

**Section 2 [Veteran-owned small businesses]** makes the same changes as section 1 for veteran-owned small businesses. Specifically, this section increases the preference, from six percent to 12 percent, that the commissioner may apply when awarding contracts for goods and services, including construction, to veteran-owned small businesses. Increases the limit on the size of contract, from \$25,000 to \$100,000, that the commissioner may award to a veteran-owned small business without going through a competitive solicitation process. Eliminates an exemption that had applied to prime contractors who are veteran-owned small businesses from requirements that the commissioner was authorized to set regarding subcontracting to veteran-owned small businesses

**Section 3 [Economically disadvantaged areas]** makes the same changes as section 1 for businesses in economically disadvantaged areas. Specifically, this section increases the preference, from six percent to 12 percent, that the commissioner may apply when awarding contracts for goods and services, including construction, to businesses in economically disadvantaged areas. Increases the limit on the size of contract, from \$25,000 to \$100,000, that the commissioner may award to a business in an economically-disadvantaged area without going through a competitive solicitation process. Eliminates an exemption that had applied to prime contractors who are veteran-owned small businesses from requirements that the commissioner was authorized to set regarding subcontracting to a business in an economically disadvantaged area.

**Section 4 [16C.19; Eligibility; Rules]** allows a targeted group business to establish eligibility by being certified by a nationally recognized certifying organization. The commissioner of administration may choose to authorize a certifying organization if the certification requirements are substantially the same as those adopted under Administration's rules and the business meets the size requirement for a small business established under the Code of Federal Regulations.

**Section 5 [16C.251; Best and Final Offer]** limits the prohibition on use of the best and final offer solicitation process to those building and construction contracts that are awarded based on competitive bids.

**Section 6 [16C.36; Reorganization Services Under Master Contract]** deletes obsolete provision.