

S.F. No. 1425 – Modifications to the targeted group small business procurement program

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Under current law, small businesses owned by people in targeted groups receive preferences in obtaining state procurement contracts for goods, services, or construction. This bill makes modifications to this program by increasing the cap for a preference in competitive bidding and by increasing the threshold for contracts that can be awarded to small, targeted group businesses without competitive bidding. The bill also allows the commissioner to rely on certification of a business's eligibility as a small group with targeted group ownership from nationally recognized certifying organizations, if conditions are met. Tribally-owned businesses are certified if certified under a certain federal small business program.

Section 1 [Purchasing methods] increases the cap on the preference, from 6% to 12%, that the commissioner of administration may provide to small, targeted group businesses in the competitive bidding process for state contracts for goods or services. Increases the cap, from \$25,000 to \$100,000, for the total value of contracts that may be awarded for goods, services, or construction directly to a small business or small targeted group business without a competitive solicitation process.

Section 2 [Veteran-owned small business] increases the cap on the preference, from 6% to 12%, that the commissioner of administration may provide to veteran-owned small businesses in the competitive bidding process for state contracts for goods or services. Increases the cap, from \$25,000 to \$100,000, for the total value of contracts that may be awarded for goods, services, or construction directly to a veteran-owned small business.

Section 3 [Economically disadvantaged areas] increases the cap on the preference, from 6% to 12%, that the commissioner of administration may provide to small businesses located in economically disadvantaged areas in the competitive bidding process for state contracts for goods or services. Increases the cap, from \$25,000 to \$100,000, for the total value of contracts that may be awarded for goods, services, or construction directly to a small business located in an economically disadvantaged area.

Section 4 [Eligibility; Rules] allows the commissioner to rely on certification by a nationally recognized certifying organization, to certify businesses eligible for the targeted group small business procurement program, if the certifying organization's requirements for certification are substantially the same as rules adopted to implement the program, and if the business meets the standards for a small business in statute (which relies on a federal law definition). This section also provides that a Tribally-owned small business is certified if it is certified under the federal Small Business Administration program.