

**Subject** State Procurement  
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## Overview

This bill amends a variety of laws related to state contracting. The most substantial among them is an expansion of the state's program that provides certain preferences to small and targeted group businesses. The bill would allow these businesses to receive a higher bid preference; to be awarded contracts with a larger value without going through a competitive solicitation process; and to be certified for participation by certain nationally recognized organizations authorized by the commissioner of administration.

Types of businesses that qualify to participate in these programs include those owned by women, persons with a substantial physical disability, minority communities, and veterans, as well as businesses located in economically disadvantaged areas.

## Summary

Section	Description
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| <b>1</b> | <p><b>Purchasing methods.</b></p> <p>Increases the bid preference for small targeted group businesses when the state awards contracts for goods or services. The current preference is up to six percent. This bill would increase that preference to 12 percent.</p> <p>This section also authorizes the commissioner of administration to award a contract for goods, services, or construction to a small business or small targeted group businesses without a competitive solicitation for contracts valued at up to \$100,000. Current law authorizes the commissioner to make these awards only for contracts valued at up to \$25,000.</p> <p>This section also eliminates an existing exemption from a requirement that prime contractors subcontract with a specified number of small businesses or small</p> |
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Section	Description
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targeted group businesses in executing a contract, if the prime contractor is also a small business or small targeted group business.

**2 Veteran-owned small businesses.**

Increases the bid preference for veteran-owned small businesses when the state awards contracts for goods or services. The current preference is up to six percent. This bill would increase that preference to 12 percent.

This section also authorizes the commissioner of administration to award a contract for goods, services, or construction to a veteran-owned small business without a competitive solicitation for contracts valued at up to \$100,000. Current law authorizes the commissioner to make these awards only for contracts valued at up to \$25,000.

This section also eliminates an existing exemption from a requirement that prime contractors subcontract with a specified number of veteran-owned small businesses in executing a contract, if the prime contractor is also a veteran-owned small business.

**3 Economically disadvantaged areas.**

Increases the bid preference for small businesses located in an economically disadvantaged area when the state awards contracts for goods or services. The current preference is up to six percent. This bill would increase that preference to 12 percent.

This section also authorizes the commissioner of administration to award a contract for goods, services, or construction to a small business in an economically disadvantaged area without a competitive solicitation for contracts valued at up to \$100,000. Current law authorizes the commissioner to make these awards only for contracts valued at up to \$25,000.

This section also eliminates an existing exemption from a requirement that prime contractors subcontract with a specified number of small businesses in an economically disadvantaged area when executing a contract, if the prime contractor is also a small business in an economically disadvantaged area.

**4 Eligibility; rules.**

Permits small businesses wishing to participate in the state's contracting programs for small targeted group businesses to be certified for participation in those programs by a nationally recognized certifying organization, rather than directly by the commissioner of administration. The commissioner must first authorize the organization to issue the certification. The organization's requirements must be

Section	Description
	substantially the same as those required by the rules of the commissioner of administration.
5	<b>Best and final offer.</b> Modifies a current prohibition on the use of the “best and final offer” solicitation process for building and construction projects. Under current law, this process may not be used for any building or construction project. This section modifies the prohibition so that it applies only to building and construction projects that are awarded based on competitive bids.
6	<b>Reorganization services under master contract.</b> Eliminates now-obsolete language requiring a legislative report on the use of a master contract for certain reorganization services.



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