STATE PROCUREMENT AND SMALL BUSINESS

Final Report
August 31, 1986

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Prepared for
Office of Advocacy
U.S. Small Business Administration
Washington, D.C. 20416
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ACKNOWLEDGEMENT

The authors of this report are indebted to the following individuals who have reviewed this report and who have provided valuable comments and suggestions.

Special thanks go to the National Association of State Purchasing Officials who provided advice throughout the study: Bud Roon (Colorado), Daniel Carter (Massachusetts), and John Spath (New York).

We also thank the following individuals who reviewed the original survey instrument and helped make it workable: Tom Clapper with the Oklahoma legislature's Federal Action Monitor; Dave Steelman with the Illinois Intergovernmental Cooperation Commission; Ray Gillen, Director of New York State's Procurement Assistance Program; Gwen Vieth with Virginia's Department of General Services; and Bill Bernhagen with the WIS-BID program at the University of Wisconsin's Small Business Development Center.

A special thank you to Susie Ferrell of our staff who worked closely with us in putting together the final report.

Judith C. Hackett
Ruth Osser
FOREWORD

This report results from a mutual interest in the level of state procurement from small firms shared by the U.S. Small Business Administration, the National Association of State Purchasing Officials (NASPO), and The Council of State Governments.

The sincere interest of Frank Swaim, SBA's Chief Counsel for Advocacy, encouraged us to seek answers to difficult questions, and the advice of Charles Oakes and Bill Scheirer of his staff played an important part in producing the final report.

We see this as a beginning point, not a final answer, and encourage readers to contact The Council of State Governments' staff with comments or questions.

Frank Hersman, Director
Office of Research and State Services
INTRODUCTION

At present there is no central source of information about the amount of money states spend on purchases from small businesses. According to State and Local Government Purchasing, 2nd Edition (CSG 1983), all states have some degree of centralized purchasing or centralized supervision of the purchasing function. However, there are considerable differences in the way centralization is managed from state to state. While a full-range of procurement management services are usually available, including bidding and contracting, some agencies are exempt from using the central purchasing agency. The most commonly exempted agencies are state legislative and judicial branches, state highway departments, state lottery commissions, and certain state colleges and universities. These factors make it difficult to determine how much states purchase from small business.

Also complicating the collection of data is the lack of a common definition of small business. Some states define small business very precisely, in terms of maximum sales and workforce depending upon the type of industry. Others use a much simpler criteria such as "under 100 employees" or "not dominant in the field." Within a state, different agencies may use different definitions.
What appears to be a straightforward question is actually one that is quite difficult to answer. There is no single source of information in all states on the amount of goods and services purchased, no common definition of small business, and no established system for monitoring the accomplishments of business set-aside goals. This report, prepared by staff of the Center for Agriculture and Rural Development of The Council of State Governments for the U.S. Small Business Administration, presents the most complete collection of information available today.

The United States government, and the Department of Defense in particular, has made special efforts to increase the number of contracts with small businesses in recent years. While individual state governments do not award nearly the dollar volume of contracts that the federal government does, they are big purchasers in their respective states. Like the federal government, many states have made special efforts to buy goods and services from small companies.
WHAT IS A SMALL BUSINESS?

With the 1953 Small Business Act, Congress established a broad definition of small business. The Act states that a small business concern "...shall be deemed to be one which is independently owned and operated and which is not dominant in its field of operation." In addition to these criteria, the administrator, in preparing a detailed definition, may take into consideration the number of employees and dollar volume of business (House Committee on Small Business, report issued January 2, 1985). The Code of Federal Regulations, Title 13, Part 121 as amended contains detailed information on the limits the federal government sets for the number of employees, dollar volume, or gross receipts a company may have to be considered a small business. The Code contains exact limits for various types of industries.

It has long been the prerogative of state governments to follow what has been termed the federal model. This is illustrated by states which have adopted income tax systems that use exemptions, and therefore, follow the federal model or by those states that follow the federally established fiscal year. For the purposes of this study, states which follow the federal model have chosen to use the definition of small business as provided by the Small Business Act. Not all states identify the size of a business in their
procurement process. However, 22 states have written their own formal definition of small business. These definitions include such factors as:

- number of employees
- gross receipts
- independent ownership
- lack of dominance in the field
- headquartered in-state

The varied details of each of these definitions are listed in Figure 1, Items Most Often Listed in State Definitions of Small Business, and in the State Summaries found at the end of this report.
## State Definitions of Small Business

### Definitions of Small Business
- **A**: State-Formulated
- **B**: Informal definition
- **C**: Uses federal definition
- **D**: No definition for small business

### Limit on Number of Employees
- **YES**

### Restrictions on Gross Receipts
- **YES**

### Additional Qualifying Factors
- **E**: Independently owned and operated
- **F**: Not dominant in its field
- **G**: Other

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Definitions of Small Business - (A) State-Formulated, (B) Informal definition, (C) Uses federal definition
(D) No definition for small business

Additional Qualifying Factors - (E) Independently owned and operated, (F) Not dominant in its field, (G) Other
Common Items Found in State Definitions of Small Business

Many states impose a limit on the number of employees that a small business may employ. Some states have a single limit, such as Minnesota where a small business must have less than 30 employees. Other states have limits established by the type of firm. Tennessee sets limits ranging from 9 to 99 according to the type of business. Washington defines a small business as one with 500 or fewer employees. The range, therefore, for the 50 states is from 9 to 500 employees. Those that impose a limit are indicated with a yes on Figure 1.

There is wide variance in the gross receipts of a small business as defined by individual states. Some states set a single amount; others set figures based upon the type of concern. Select states impose a limit on number of employees and on gross receipts, while others set a limit on one or the other, whichever is higher. The range is $500,000 to less than $13,500,000.

Many states stipulate that a small business must be independently owned and operated. This would exclude franchise owners from qualifying as small businesses. In other states the business must not be dominant in its field.
Several factors are notable in the range of state definitions of small businesses. Florida and Mississippi, for instance, consider a business with less than 25 employees to be small. Connecticut does not consider the number of employees to be a factor, but sets a $1.5 million limit on gross receipts.

States that adopt the federal definition of small business usually modify it somewhat. Louisiana, for example, has stipulated that the business must have its principal place of business in Louisiana. In responding to the survey, Hawaii referred to Code of Federal Regulations, Title 13, Part 121, as amended. It further states, "...if needed, reference Section 3 of the Small Business Act or the Defense Acquisition Regulation (DAR 1-701.1)." It is interesting to note that while only nine states report using the federal definition, one state commented that it used the federal definition for the purpose of uniformity and was surprised to learn that only eight other states follow that model.

While this variety in the methods used to determine which businesses are small might be confusing, it reflects differences in business climate, economies, and population distribution--factors that affect business growth.
Eleven states reported that no formal definition of a small business is currently used. For the most part, these states have small, widely dispersed populations. These states have established policies and programs to help all businesses rather than target a certain size firm.
HOW DO STATES HELP SMALL BUSINESSES?

States create a definition of small business only if they choose to create special policies and programs for their benefit. While the purpose of this report is to identify state procurement from small businesses, it is important to note that small firms often need assistance in preparing bids and executing a contract once it is awarded.

Special programs for assisting businesses with the state procurement process exist in many states. Some of the programs such as prompt pay legislation/policy and simplified application forms are for any vendor doing business with the state. Oregon, for example, sets its prompt pay policy into action whenever bills are 45 days old. At that time, the vendor will receive an additional one-half percent of the amount due.

Many programs, however, are dedicated to a specific type of vendor. It is not unusual for a state to have a set-aside or preference specifically earmarked for minority or handicapped businesses. California has statutes providing percentage preferences for small and minority businesses. Idaho has an optional provision that if sheltered workshop prices are within 25% of fair market value, competitive bidding may be waived.
These special programs are identified in Figure 2, and details are provided in the State Summaries section of this report.
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<td>S, S</td>
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<td>Wisconsin</td>
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</tbody>
</table>

P = Policy  R = Regulation  S = Statute
* State has no special programs at this time
This table includes those programs reported by State Purchasing Officials. An S on the table indicates that the program has been enacted by statute; programs that exist by agency policy are marked "P"; where there is an agency rule or regulation, "R" appears on the table. "Yes" indicates that the programs exists, although not necessarily by statute, regulation, or policy. An example is Georgia's prompt pay program that exists under executive order.

The final column on the table, "Other," is for programs that are not included in those specified in the column headings. An example is found in Georgia where an incentive was legislatively enacted to provide a tax break for contractors using minority sub-contractors.

Common Elements of State Assistance Programs

State purchasing officials have clearly created a growing number of special programs that provide direct assistance to small companies in learning about and bidding on state contracts. These programs include:

Procurement Assistance. Twenty states reported that state statutes require or policies endorse assistance programs for businesses wishing to compete for state contracts. The state of Missouri provides this assistance only for minority firms. Colorado, for example, has a policy in the Division
of Purchasing to help small firms in the procurement process. New Mexico requires assistance by state law, as do the states of New York and South Carolina.

Many states have now established procurement assistance programs in Departments of Economic Development, Commerce, Community Affairs, or at Small Business Development Centers. These programs are often a central part of an economic or community development strategy to help existing businesses expand into the government contracting market. For more information, see References in Appendix II.

**Simplified Application Form.** Nineteen states reported that they have forms which simplify the process for bidders. Alaska, for example, uses a half-page application. Most of the states with simplified application forms do not tailor them specifically to small firms, but rather have simplified the process in general. This may be of particular benefit to small firms since they seldom have the staff time or expertise to complete complicated bids.

**Bid Subscription Service or Register.** Twenty-one states publish lists of procurement opportunities. These services, often patterned after the Federal Register or Commerce Business Daily, give formal notice of state plans to purchase goods or services. A small business owner can subscribe to a service for a small fee and receive a listing
free of charge or consult a register, depending upon the
procedures adopted by the state. Virginia, for example,
offers subscriptions to a weekly publication of business
opportunities.

Seminars and Outreach. By far, the most frequently
mentioned services were regular or special seminars which
teach business owners how to do business with the state.
Thirty-three states have programs available either for all
companies or special target groups. Some states conduct
these programs through their central purchasing office,
while others work through other state agencies such as the
Department of Commerce.

Preference and Set-aside. Two of the more popular ways
states increase participation in the procurement process are
by set-asides and preferences. The set-aside is a directive
requiring agencies to award a certain percentage of their
contracts to a designated type of vendor.

Preference is an advantage in consideration for award of a
contract granted to a bidder by reason of the bidder's
business classification (small, minority, etc.). This
type of preferential treatment may be in the form of
acceptance of bid a specified percentage above fair market
value.
A set-aside program is often not as easy to handle as a preference. Under a preference, if there are no bidders of the type named in the preference, the contract goes to the lowest bidder. Under a set-aside, if there are no bidders as named in the set-aside, another bid may need to be called.

Other state services designed to help businesses include:

- Waiver of Bonding Requirements Under Certain Conditions: 11 states
- Assistance in Securing Bonding: 5 states
- Prompt Pay: 30 states

The states of California, Georgia, New Hampshire, New York, South Carolina, Utah, Wisconsin, and Wyoming reported a variety of other special programs that can be found in the State Summaries section of this report.
HOW MUCH DO STATES BUY FROM SMALL BUSINESS?

Forty-three of the fifty states reported that a total of $9,993,908,538.53 was spent through state purchasing during the most recent fiscal year. Sixteen states reported additional expenditures of $4,785,543,272 by agencies which have their own purchasing procedures. Figure 3 provides a state-by-state listing of both the overall volume of state procurement and the amount spent with small businesses.
## FY 1985 STATE PURCHASING

### Figure 3

<table>
<thead>
<tr>
<th>State</th>
<th>Amount Spent Through Central Purchasing</th>
<th>Amount Spent Through Other Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Small Business Portion</td>
</tr>
<tr>
<td>Alabama</td>
<td>100,000,000</td>
<td>E</td>
</tr>
<tr>
<td>Alaska</td>
<td>150,000,000</td>
<td>E</td>
</tr>
<tr>
<td>Arizona</td>
<td>100,000,000</td>
<td>E</td>
</tr>
<tr>
<td>Arkansas *</td>
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<tr>
<td>California</td>
<td>516,442,000</td>
<td>A</td>
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<tr>
<td>Colorado</td>
<td>82,769,003</td>
<td>A</td>
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<tr>
<td>Connecticut</td>
<td>160,000,000</td>
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</tr>
<tr>
<td>Delaware</td>
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</tr>
<tr>
<td>Florida</td>
<td>800,000,000</td>
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<tr>
<td>Georgia</td>
<td>244,714,689</td>
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<td>70,000,000</td>
<td>E</td>
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<td>227,069,092</td>
<td>E</td>
</tr>
<tr>
<td>Indiana</td>
<td>295,942,656</td>
<td>E</td>
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<td>40,000,000</td>
<td>E</td>
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<tr>
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<td>250,000,000</td>
<td>E</td>
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<td>Kentucky</td>
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<tr>
<td>Louisiana</td>
<td>170,000,000</td>
<td>E</td>
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<tr>
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<tr>
<td>Maryland</td>
<td>153,491,942</td>
<td>A</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>600,000,000</td>
<td>E</td>
</tr>
<tr>
<td>Michigan</td>
<td>133,156,000</td>
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<td>Minnesota</td>
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<td>Mississippi   *</td>
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<td>E</td>
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<td>750,000,000</td>
<td>E</td>
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<td>North Carolina</td>
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<td>332,786,823</td>
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<td>140,000,000</td>
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<td>45,000,000</td>
<td>E</td>
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<tr>
<td>Virginia</td>
<td>100,000,000</td>
<td>E</td>
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<td>Wisconsin</td>
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<tr>
<td>Wyoming       *</td>
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A - ACTUAL; E - ESTIMATE; * FIGURES NOT AVAILABLE. SEE STATE SUMMARIES FOR DETAILS.

-17-
This table shows state purchases for fiscal year 1985. It includes separate figures for the total amount spent through central purchasing and the amount spent through agencies exempted from state purchasing (where available). An "E" after an amount indicates that this is an estimated figure. Where no figure is shown, the state responded that the figure either was unavailable or was not known.

The table also includes that portion of purchases that were made with small businesses. Some states, such as Kentucky, were able to provide actual expenditures for the amount the state's central purchasing system spends with small business firms. California provided actual figures for central purchasing, exempted agencies, small businesses, and minority businesses. Other states were not able to provide these figures either because they do not collect this type of data, or do not have a central purchasing system.

Almost half of the states provided figures both for the amount spent in purchasing and the small business share of these contracts. Since many states do not maintain central records of all procurements, there is great variation in the dollar amounts reported by the 25 states. Nonetheless, a picture emerges of widely varied participation by small business in state procurement.
As illustrated in Figure 4, the percentage of state purchases made from small businesses ranged from 1 percent to 80 percent during fiscal year 1985.

When the states are rank-ordered from least to most regarding small business procurement, 25 percent is the median figure.

It is not possible to draw any conclusions about the true extent of state purchasing from small businesses from this report, given their varied definitions and lack of specific figures from half of the states. Nevertheless this heterogeneous collection of data from 25 states indicates that of more than $9 billion in procurements almost $2.5 billion or 27 percent is purchased from small business. As a means of comparison, in fiscal year 1985 the Federal Government purchased $182,603,556,000 billion of which $25,246,877 billion, or 13.8 percent was from small businesses.
<table>
<thead>
<tr>
<th>STATE</th>
<th>TOTAL</th>
<th>SMALL BUSINESS</th>
<th>%*</th>
<th>NOTES</th>
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<tbody>
<tr>
<td>Alabama</td>
<td>100,000,000(e)</td>
<td>75,000,000(e)</td>
<td>75%</td>
<td>Central Only</td>
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<tr>
<td>California</td>
<td>1,515,469,000(a)</td>
<td>266,647,000(a)</td>
<td>18%</td>
<td>All Agencies</td>
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<td>Colorado</td>
<td>328,416,188(a)</td>
<td>263,000,000(e)</td>
<td>80%</td>
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<td>Connecticut</td>
<td>160,000,000(e)</td>
<td>7,600,000(a)</td>
<td>5%</td>
<td>FY 84-85, Central Only</td>
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<tr>
<td>Georgia</td>
<td>380,175,616(a)</td>
<td>134,254,506(a)</td>
<td>35%</td>
<td>All Agencies</td>
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<td>Illinois</td>
<td>227,069,092(e)</td>
<td>43,462,806(e)</td>
<td>19%</td>
<td>Central Only</td>
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<td>Iowa</td>
<td>40,000,000(e)</td>
<td>10,000,000(e)</td>
<td>25%</td>
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<tr>
<td>Kansas</td>
<td>250,000,000(e)</td>
<td>77,500,000(e)</td>
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<tr>
<td>Kentucky</td>
<td>145,157,627(a)</td>
<td>74,986,320(a)</td>
<td>52%</td>
<td>Central Only</td>
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<td>Louisiana</td>
<td>170,000,000(e)</td>
<td>90,000,000(e)</td>
<td>53%</td>
<td>Central Only</td>
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<td>Maryland</td>
<td>153,491,942(a)</td>
<td>4,742,422(a)</td>
<td>3%</td>
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<td>600,000,000(e)</td>
<td>11,403,954(a)</td>
<td>2%</td>
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<td>Minnesota</td>
<td>240,000,000(e)</td>
<td>60,000,000(e)</td>
<td>25%</td>
<td>Central Only</td>
</tr>
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<td>Nebraska</td>
<td>34,000,000(e)</td>
<td>27,200,000(e)</td>
<td>80%</td>
<td>Central Only</td>
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<td>New Jersey</td>
<td>472,800,000(a)</td>
<td>3,400,000(e)</td>
<td>1%</td>
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<td>New Mexico</td>
<td>500,000,000(e)</td>
<td>100,000,000(e)</td>
<td>20%</td>
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<td>New York</td>
<td>750,000,000(e)</td>
<td>277,000,000(e)</td>
<td>37%</td>
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<td>6%</td>
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<td>44%</td>
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<td>Tennessee</td>
<td>96,000,000(a)</td>
<td>9,500,000(a)</td>
<td>10%</td>
<td>Central Only</td>
</tr>
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<td>Texas</td>
<td>990,000,000(a)</td>
<td>217,800,000(a)</td>
<td>22%</td>
<td>All Agencies</td>
</tr>
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<td>Virginia</td>
<td>100,000,000(e)</td>
<td>13,500,000(e)</td>
<td>14%</td>
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<tr>
<td>Washington</td>
<td>119,800,000(a)</td>
<td>96,000,000(e)</td>
<td>80%</td>
<td>Central Only</td>
</tr>
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<td>West Virginia</td>
<td>400,000,000(e)</td>
<td>200,000,000(e)</td>
<td>50%</td>
<td>All Agencies</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>500,000,000(e)</td>
<td>200,000,000(e)</td>
<td>40%</td>
<td>All Agencies</td>
</tr>
</tbody>
</table>

(a) = actual
(e) = estimate
* Figures rounded to nearest 1 percent
Those states spending the greatest percentage in small business contracts were Colorado, Nebraska, and Washington (note that these are all estimates).

Those states reporting the lowest small business percentages may make many awards to small firms which have not sought formal certification, and these states are highly urbanized with many corporate headquarters in-state or nearby. The biggest purchaser, California, spends nearly 20 percent with small firms. New York, with the largest central purchasing budget, awarded 37 percent to small businesses.
STATE PROGRAMS FOR OTHER PRIORITY GROUPS

In the process of conducting the study, we learned that some states consider small business procurement a part of an overall policy and program orientation to give preference to many target groups. Louisiana, for example, has a small business set-aside program requiring that 10 percent of the state's purchasing be made with small business firms. Out of the 10 percent, one percent must be spent with firms owned by women. Louisiana, like most other states, considers the 10 percent figure a minimum and actually spends much more.

Minority businesses are one group that many states target in addition to small business. The definitions of minority also vary greatly from state to state. The State Summaries at the end of this report include any definitions of minority that were provided in the survey results. While the Federal Acquisition Regulations (FAR 19.001) include many minorities as being socially and economically disadvantaged, some states also include women or handicapped individuals as minorities for special treatment.

Many of the programs listed in Figure 2, Special Programs, are specifically for minority firms. Preference and set-asides are examples of special efforts by the states to aid minority vendors.
Minority Business Amount

The amounts that states spend with minority business firms are shown in Figure 5. This table only includes amounts from states where this figure was available. States that did not indicate an amount spent with minority firms are not shown on the table.
<table>
<thead>
<tr>
<th>State</th>
<th>Central Purchasing</th>
<th>Other Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>7,500,000*</td>
<td></td>
</tr>
<tr>
<td>California</td>
<td>40,295,000</td>
<td>132,608,000</td>
</tr>
<tr>
<td>Colorado</td>
<td>1,162,011</td>
<td>2,175,278</td>
</tr>
<tr>
<td>Connecticut</td>
<td>629,000</td>
<td></td>
</tr>
<tr>
<td>Georgia</td>
<td>7,202,699</td>
<td></td>
</tr>
<tr>
<td>Illinois</td>
<td>3,014,810.86 (1)*</td>
<td>5,034,586</td>
</tr>
<tr>
<td>Indiana</td>
<td>3,291,150</td>
<td></td>
</tr>
<tr>
<td>Iowa</td>
<td>1,257,634 (3)*</td>
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<tr>
<td>Kansas</td>
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<tr>
<td>Kentucky</td>
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<td>Louisiana</td>
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<tr>
<td>Maryland</td>
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<td>Minnesota</td>
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<td>Missouri</td>
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<td>North Carolina</td>
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<td>90,000,000*</td>
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<tr>
<td>Oregon</td>
<td>3,460,000</td>
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<tr>
<td>South Carolina</td>
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<td>Texas</td>
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<td>Virginia</td>
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<td>Washington</td>
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</tr>
<tr>
<td>Wisconsin</td>
<td>5,000,000 (4)*</td>
<td>500,000*</td>
</tr>
</tbody>
</table>

* Estimate
1 Minorities and women
2 State-wide total spent at sheltered workshops
3 Figure represents amounts spent from July 1, 1985 to Spring of 1986
4 Minority
5 Women
This table includes the amounts spent through central purchasing and that amount spent through agencies exempt from central purchasing. Of the 50 states that responded to the survey, six states indicated figures that showed two separate amounts. Details on the amounts are included in the State Summaries.

Also note that this is a composite as some state definitions of minorities include women- and handicapped-owned firms. In other states, the figure is for minority firms only. Utah, for example, includes both minority- and women-owned businesses. Ohio shows a figure for minority firms only.

CAUTIONS IN USING THIS REPORT

What seems a very straightforward question, "How much do states purchase from small businesses?," is obviously very difficult to answer. The 50-state survey conducted by The Council of State Governments is the first step in answering this question, but it does not provide a final, conclusive answer.
The reader should exercise caution in drawing any general conclusions from these data for the following reasons:

1. Most states did not report actual figures.
2. Most states did not report figures for purchases exempt from central purchasing.
3. A few states have no central purchasing.
4. Many states do not have a formal definition or certification process for small businesses.
5. Only a few states use the same definition for small business.

RECOMMENDATIONS FOR FUTURE STUDIES

It is recommended that future studies of state small business development policies be performed in the following areas: gathering information on state small business programs, the impact and effect of state programs, and state development policies.

Information

The Small Business Administration should collect information on state procurement from small businesses, and include this in its yearly State of Small Business report.

The states which have required preference or set-asides should evaluate the extent to which these goals have been met or exceeded. This information should be collected each year.
Research

The U.S. Small Business Administration should initiate research projects to determine:

1. The impact of the different definitions used by states on the level of small business participation, taking into account the number of small versus large businesses in each state.

2. A study of how two or three of those states which have reported actual figures have constructed their systems. The SBA could develop and disseminate information on sample state systems, both manual and computerized. This type of study would provide information to states on methods of accounting for state purchases.

3. The impact of various special programs in increasing the small business share of state procurement. A study could be conducted in those states which have modified bonding requirements, for instance, to determine if this has increased the number of small business contractors.

4. The effect of state laws or regulations which establish set-asides or special programs on the level of small business participation. A comparative analysis could be conducted between states reporting a similar volume of small business procurement.

Policy Development

The dollar volume of state procurement from small businesses is only one of a number of ways to evaluate state small business development policy. The U.S. Small Business Administration and The Council of State Governments should work jointly to identify:

1. The various agencies and programs in the 50 states which encourage small business development.

2. The inter-agency relationships, task forces, and various formal structural relationships between these.
3. The level of state funds invested in programs which lead to small business development, including but not limited to: financial assistance, marketing assistance, management training, product development and testing.

The strength of our federal system is that it allows for, and encourages the development of diverse programs and policies at different levels of government. The wide variety of approaches which the 50 states take toward the encouragement of small business development through state purchasing is a good example of this system in practice.

While the U.S. Small Business Administration's attention is focused upon increasing small business participation in federal procurement, there are a number of states which have adopted similar goals. By working jointly with the states, the amount of assistance provided to small firms, regardless of the definition employed, can be multiplied dramatically.
STATE SUMMARIES

ALABAMA

The State of Alabama formally identifies small business vendors.

In Alabama, a small business is independently owned and operated. Such businesses must have either fewer than 50 employees or less than $1,000,000 in gross receipts per year. In manufacturing, not more than 500 employees; in construction, gross receipts of not more than $12,000,000.

In fiscal year 1985, an estimated $100,000,000 was spent through the state's central purchasing system. Of this amount, $75,000,000 was estimated to have been spent with small business vendors. The amount spent on minority firms through central purchasing is estimated at $7,500,000.

Various departments within the state are exempt from central purchasing. These are the Mental Health Department, Youth Service Department, and State Docks. Contracts for construction by the Highway Department and the Building Commission are also exempt by statute. Political subdivisions are allowed to purchase from most state contracts.

Alabama has a 10 percent set-aside for minorities, mandated by statute.

ALASKA

Alaska is among those states that neither identify nor have a definition of small business. All businesses that apply for state contracts are treated the same.

A total of $300,000,000 was spent in fiscal year 1985 by the State of Alaska. Of this amount, $150,000,000 was spent through central purchasing. The other half was spent by agencies exempt from central purchasing, and for small items that were purchased but did not have to be reported to central purchasing.

Those agencies that are exempt from central purchasing include the legislature and the court system. Under certain agreements, cities and boroughs may purchase through the state's central purchasing system.

While there are no programs specifically earmarked for small business, the state does offer several special programs of benefit to vendors who do business with the state. There is a simplified application form for bidders, which is one-half page in length.
A bill was recently passed providing prompt pay for all businesses. Seminars are held, and there is a bid subscription service for vendors. While not specifically for small business, the Commerce Department's Office of Enterprise provides a counseling service for businesses.

ARIZONA

Arizona formally identifies small business vendors.

In Arizona, a concern which is independently owned and operated, not dominant in its field, and employs fewer than 100 full-time employees or had gross annual receipts of less than $4,000,000 dollars in its last fiscal year is considered a small business.

In fiscal year 1985, excluding construction, Arizona spent $100,000,000 through its central purchasing. Amounts spent for small business and minority business are not recorded.

Several special programs exist in Arizona. These include a procurement assistance policy, a statute for prompt pay, a policy of seminars and outreach efforts, and a statute for a bid subscription service or register.

ARKANSAS

The state does not make a distinction between various types of businesses.

Total amounts of state purchasing are not available for Arkansas.

The State Highway Department is exempt from the state's purchasing system. There are 24 colleges and universities in Arkansas that may participate in the state's purchasing system.

The state has no special programs for small businesses.

CALIFORNIA

Government Code Section 14837 and Administrative Code Section 1896 define small businesses as those in which the principal office is located in California, the officers of such businesses are domiciled in California, and the concern is independently owned and operated and not dominant in its field of operation.
The maximum dollar volume of a firm qualifying it as a small business varies from industry to industry and reflects the differing characteristics of such industries. Financial, employee, and contractor arrangements of any applicant seeking classification under the definition are taken into consideration.

The statutes contain other features such as: "A concern shall not qualify as a small business if it is an affiliate of another concern that would not be considered a Small Business or their affiliation would not be considered a Small Business."

California provides actual figures for all state expenditures. In fiscal year 1985, $516,442,000 was spent through central purchasing, with $145,730,000 going to small businesses, and $40,295,000 going to minority and women-owned businesses. A total of $999,027,000 was spent through agencies exempt from central purchasing. Of this amount, $120,917,000 was spent on small business vendors, and $132,608,000 was spent with minority and women-owned businesses.

The legislative and judicial branches are exempt from central purchasing. The University of California and California State University (above figures include CSU) are also exempt.

The state has statutes providing percentage preferences for small and minority businesses. There are also statutes providing prompt pay, seminars and outreach efforts, bid subscription service or register, and a statute to reduce required experience and inventory, and help in preparation of financial questionnaires and statements.

COLORADO

While Colorado does not formally identify vendors as small businesses, it uses the federal government definition when required.

In fiscal year 1985, Colorado spent $82,769,003 through central purchasing and $245,647,185 through those agencies exempt from central purchasing. Estimates for small business are $66,215,202 through central purchasing and $196,517,748 from exempt agencies. Minority firms received $1,162,011 from central purchasing and $2,175,278 from agencies exempt from central purchasing.
All state agencies report to the Division of Purchasing. Some are delegated authority to do their own procurement but must follow department rules and policies. Political subdivisions may use state contracts. Those entities which have this authority, in addition to political subdivisions, are all two-year and four-year colleges and universities, the Department of Highways, the Colorado State Hospital, and the Department of Corrections.

The policy of the Colorado Division of Purchasing is to help small business with the procurement process. A simplified application form is used for all businesses applying to the state. A 45-day prompt-pay period is extended to all firms doing business with the state. Seminars and outreach efforts are held by policy and desire. Bonding assistance is not provided, except as provided by the Colorado Minority Business Development Agency.

CONNECTICUT

A formal definition of small business exists in Connecticut. The definition states that a small business is a firm that is established in Connecticut, has been in business for a minimum of one year, and has under $1,500,000 in annual gross sales.

The state reports total state purchases for fiscal year 1984-85 at $160,000,000. This is for fiscal year 1984-85 and not for fiscal year 1985, as was provided by most of the other states. The small business amount of the total spent through central purchasing is $7,600,000, and the minority business amount is $629,000.

Legislative agencies and the Judicial Department are exempt from central purchasing. Political subdivisions and non-profit agencies that derive at least 60 percent of funding from the state and/or federal government can use state contracts under cooperative purchasing programs.

Statutes exist in Connecticut for set-asides, percentage preferences, and prompt pay. Operating procedures provide procurement assistance, seminars, and outreach efforts. There is also bonding assistance mandated by statute.

DELAWARE

Delaware follows the federal definition of small business: Small business means a corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit, which is independently owned and operated, has either fewer than 100 employees or less than $1,000,000 in annual gross receipts.
Delaware does not have true central purchasing. The total amount spent through state agencies for fiscal year 1985 was $274,323,160. Amounts spent with small and minority business are not known.

Several government agencies in Delaware are sponsors of the Minority Trade Fair.

FLORIDA

Small business is defined in Florida (Chapter 85-104, Laws of Florida) as an independently owned and operated business concern which employs 25 or fewer permanent full-time employees and has a net worth of not more than $1,000,000. For sole proprietors, the $1,000,000 net worth figure must include both personal and business investments.

A definition for minority business enterprise also exists in Florida. It is any small business (as defined above) which is organized to engage in commercial transactions, domiciled in Florida, and at least 51 percent owned by minority persons who manage and control daily operations. A minority business enterprise may primarily involve the practice of a profession. According to the statute, a minority person in Florida includes black Americans, Hispanic Americans, Asian Americans, native Americans, native Hawaiians, American women, and physically disabled persons.

In fiscal year 1985, Florida spent $800,000,000 through its central purchasing system. Amounts spent for small and minority business firms are not available.

Political subdivisions and community colleges in Florida are eligible to purchase from state contracts under cooperative purchasing programs.

Many special programs to assist small and minority businesses exist in Florida. These programs include both set-asides and percentage preferences. Procurement assistance is provided through the Florida Minority Business Enterprises Coordinator. House Bill No. 585 provides for waiver of bonding requirements. Section 215.422 F.S. mandates prompt pay. Seminars and outreach efforts are included in the conferences and workshops that the state holds. The state has a vendor's register. Finally, bonding assistance is provided through the Small Business Administration.
GA

Small businesses are formally identified in Georgia.

In Georgia, a small business concern is an independently owned and operated enterprise with either less than 100 employees or less than $1,000,000 in gross receipts per year.

A minority business is defined as one which is either owned by a member of a minority race, or a partnership of which a majority of interest is owned by one or more members of a minority race, or a public corporation of which a majority of the common stock is owned by one or more members of a minority race. A member of a minority race is defined as an individual who is a member of a race which comprises less than 50 percent of the total population of the State of Georgia. This request is made for statistical purposes only.

Georgia reported actual figures for state purchases. In fiscal year 1985, $244,714,689 was spent through central purchasing. Of this amount, $92,354,398 was spent with small business, and $7,202,699 was spent with minority vendors.

A total of $135,460,927 was delegated to state agencies and audited by central purchasing, while $41,900,108 was spent with small businesses, and $5,034,586 with minority vendors. Agencies where this money was spent are the legislative and judicial branches, and state authorities (Stone Mountain Authority, Georgia Ports Authority, Georgia Building Authority, Jekyll Island Authority, World Congress Authority, Georgia Development Authority, Georgia Student Finance Authority, Georgia Education Authority, Georgia Residential Finance Authority, and Georgia State Financing and Investment Commission). Also exempt are specific councils, commissions, and boards.

Eligible government entities for state contracts are any local government, any public school system, all authorities, and all area planning development commissions (APDC).

Many special programs are operational in Georgia. The state has two Minority/Small Business Coordinators to assist firms in understanding procurement procedures.

The department has a policy for providing simplified application forms. An Executive Order to agencies mandates prompt pay. The department holds six to eight awareness programs a year throughout the state.
Bonding assistance is provided as a reduced amount required for construction. Dual invoicing is available whereby the department works with vendors and manufacturers to allow for cash flow at the director's discretion. Legislative incentives were enacted, providing a tax break for contractors using minority sub-contractors. Another incentive program was created by legislation to allow central purchasing to delegate non-bid authority for state purchases of up to $500 as encouragement to use small/minority vendors.

HAWAII

While Hawaii does not formally identify small business vendors, it does use an informal definition. A small business is one which is independently owned and operated, can qualify under the criteria concerning number of employees, average number of receipts, or other criteria, as prescribed by the Federal Small Business Administration. The definition also refers to Code of Federal Regulations, title 13, Part 121, as amended, and Section 3 of the Small Business Act or the Defense Acquisition Regulation (DAR 1-701.1).

In fiscal year 1985, the state of Hawaii spent $32,627,142.53. The amount spent with small business firms is not available.

State agencies in the Executive Branch are required to purchase from price lists issued by Central Purchasing. Agencies of the judicial and legislative branches are exempt from the mandate, but may utilize the price lists on a voluntary basis with vendor concurrence. Under the state's decentralized purchasing practice, each state agency can secure bids and contracts for its own agency (in instances where a price list does not exist) or may request assistance from Central Purchasing.

Statutorily, the State of Hawaii has not formalized a small business assistance program. However, the University of Hawaii has adopted its own policy A8.320, "Small Business and Small Business Disadvantaged Program."

IDAHO

The state does not have a formal definition for small business, and it does not identify businesses as such.

Approximately $70,000,000 was spent through the state's central purchasing system for fiscal year 1985. The state does not track the amounts spent with small or minority businesses.
All elected officials and their staff are exempt from central purchasing. These officials are: the Governor, the Lieutenant Governor, the Secretary of State, the Treasurer, the Attorney General, and the Superintendent of Education. In addition, the three major state universities, and cities and counties in Idaho, have cooperative purchasing agreements with the state.

The state has an optional provision for sheltered workshops. If the price offered by the sheltered workshop is within 25 percent of fair market value, competitive bidding may be waived. There is a 10 percent preference given to in-state printers, regardless of the size of the printshop. Idaho also has a mandatory vendor registration program whereby vendors must be registered with the state prior to submitting a bid. The state has a bidders mailing list, and there is a prompt pay program for all vendors.

ILLINOIS

According to the terms of the Illinois Small Business Purchasing Act, a small business is independently owned and operated, and is not dominant in its field of operation. The Department of Central Management can establish a detailed definition by rule, using additional criteria, including the number of employees and the dollar volume of business. When computing the size status of a bidder, annual sales and receipts of the bidder and all of its affiliates are included. The maximum number of employees and the maximum dollar volume which a small business may have under the rules promulgated by the Department may vary from industry to industry to the extent necessary to reflect differing characteristics of such industries.

The limitations imposed by the act are that no wholesale business is a small business if annual sales for its most recently completed fiscal year exceed $7,500,000. No retail business or business selling services is a small business if its annual sales and receipts exceed $1,500,000. No manufacturing business is a small business if it employs more than 250 persons. No construction business is a small business if its annual sales and receipts exceed $3,000,000.

Chapter 127, Pars. 132.21-132.30 further states that the Department has authority to designate as small business set-asides for construction contracts, service contracts and purchase requests for specified commodities or equipment which must be awarded in accordance with the provisions of the Illinois Purchasing Act. Such a designation is made prior to the advertisement for bids in the official state newspaper. When the advertisement is published, it indicates the purchases or contracts which have been designated small business set-asides.
The state spent $227,069,092 in fiscal year 1985 through its central purchasing system. Of this amount, $43,462,886 was spent with small business vendors, and minority and women-owned firms received $3,014,810.86 of the amount. Agencies exempt from central purchasing awarded $7,174,558 to small business firms. An additional $12,179,000 was spent on purchases from sheltered workshops.

All colleges, universities, and all governmental units participate in Illinois's Joint Purchasing Program.

Many programs to assist small business participation in the procurement process exist in Illinois. There are statutes for set-asides and for prompt pay. While procurement assistance from the department is limited, there is an operating procedure providing for seminars and outreach efforts. There are also provisions for simplified application forms.

INDIANA

Indiana formally identifies vendors as small businesses. The definition states that a business that is independently owned and operated, not dominant in its industry, and meets the restrictions imposed by 25 IAC 1.5-3-1 is a small business.

Section 25 IAC 1.5-3-1 designates five categories of small businesses: (1) construction businesses which are limited to average gross annual receipts for the current and three previous fiscal years of $1,500,000 or less; (2) manufacturing businesses, which are limited to 100 or less employees; (3) retail businesses, which are limited to average sales and receipts for the current and three previous fiscal years at $250,000 or less; (4) service businesses, which must have average sales for current and three previous fiscal years of $250,000 or less, and the number of employees is set at 25 or less; and (5) wholesale businesses with annual sales of $2,000,000 or less for their most recently completed fiscal year.

The state estimates that $295,942,656 was spent through central purchasing in fiscal year 1985. Of this amount, $3,291,150 was spent with minority businesses. The amount spent with small businesses is not known.

Those agencies in the state that are exempt from central purchasing are the legislative branch, the judicial branch, military, bodies corporate and public, and highway road and bridge contracts. All state subdivisions may order against state government contracts if the contract bid was written to allow this.
Indiana has a procedure for providing procurement assistance. Under consideration are a simplified application form and a waiver of bonding requirements. A prompt-pay statute allows payment of interest on late payments.

IOWA

Iowa's formal definition of small firm is a business organized for profit which has its principal place of business in Iowa. The firm must be neither dominant in its field nor an affiliate or subsidiary of a business dominant in its field.

The state estimates that $40,000,000 was spent through central purchasing in fiscal year 1985, $10,000,000 of which went to small businesses. Of this amount, $1,257,634 was spent with minority, women-owned, and handicapped-owned firms in a program that started on July 1, 1985. This figure, therefore, is only for that portion of the fiscal year since the program started.

State agencies exempt from central purchasing are Regents, Department of Transportation, the School for the Blind, and lottery printing. Any political subdivision can use state contracts.

A statute provides for a required set-aside. Agency regulations provide simplified application forms, seminars and outreach efforts. An operating procedure provides for waiver of bonding requirements.

KANSAS

A small business, by the formal definition, is one that is independently owned and operated, not dominant in its field of operation, and is not an affiliate or division of a larger business. "Dominant in its field of operation" is defined in Kansas as exercising a controlling or major influence in a kind of business activity in which a number of businesses are engaged. This definition includes limits on both employees and gross annual income.

A small manufacturing business must employ less than 50 persons and not have exceeded $3,000,000 gross income annually in the preceding three fiscal years. Small general construction businesses may not exceed $4,000,000 in the preceding three fiscal years. All other non-manufacturing businesses that employ 25 or fewer persons and have not exceeded $1,500,000 gross annual income in the preceding three fiscal years.
The state also has definitions for minority, handicapped, and women-owned businesses. A minority person is a citizen of the United States who is Negro, Hispanic, Oriental, American Indian, Eskimo, or Aleut. A minority business is more than 50 percent owned by a minority person or persons. A women-owned business is a concern more than 50 percent of which is owned by a woman or women.

Estimates for fiscal year 1985 are given as $250,000,000 for total state funds spent through central purchasing. The small business amount of the total is estimated at $77,500,000. The amount spent with minorities, women, handicapped, etc., is estimated at $232,500.

Those agencies exempt from going through central purchasing are the legislature and the transportation department (for highway construction only).

Waiver of bonding requirements is provided by policy directive and statute. There are statutes for prompt pay, bid subscription service or register, and bonding assistance. There is also a policy for providing seminars and outreach efforts.

KENTUCKY

Kentucky has definitions for small business, minority business, and women-owned business.

A small business in Kentucky is an established firm, including its affiliates, that is independently owned and operated and not dominant in the field of operation in which it is bidding.

Small businesses must also meet the following criteria. Manufacturing firms cannot employ more than 100 people, and gross receipts from the past three years cannot exceed $15,000,000. Non-manufacturing firms, distributors, and wholesalers cannot employ more than 25 people, and gross receipts from the past three years cannot exceed $4,000,000. Service firms cannot employ more than 100 people, and gross receipts from the past three years cannot exceed $6,000,000.

A minority business is a firm where 51 percent or more is owned by person(s) of minority races. Minorities are limited to Blacks, Hispanics, Asian-Pacific Islanders, American Indians and Alutes. Kentucky defines a "female-owned" business as a firm where 51 percent or more of a concern is owned by a woman.
A total of $145,157,627 was spent through central purchasing in fiscal year 1985. Of this amount, $74,986,320 was spent with small business vendors. Minority firms accounted for $2,722,997, and women-owned firms received $1,252,204 of the state's business.

Amounts for those agencies exempt from central purchasing are not available. State universities conduct their own procurement programs. All political subdivisions, by statute, can utilize state central purchasing contracts at their option.

The state's Small Business Purchasing Act (Statute 45-470-500) includes a set-aside for small business. According to the statute, Small Business set-aside means "...a purchase or contract request for which bids are to be invited and accepted only from small businesses by the Department for Finance and Administration."

The Executive Department for Finance and Administration shall designate as a small business set-aside "...state contracts of goods, equipment, construction or services for which purchase has been requested by or for any agency whenever there is a reasonable expectation that bids can be obtained from at least three (3) small businesses capable of furnishing the desired property or services at a fair and reasonable price. Such designation should be made prior to the advertisement for bids, and the advertisement shall indicate this invitation as a small business set-aside. When an item has been designated as a small business set-aside, invitations for bids shall be confined to small businesses and bids from other bidders may be rejected. The department shall award contracts to the lowest and best responsible bidder meeting specifications." (Enact. Acts. 1976, ch. 353, section 4.)

LOUISIANA

Louisiana formally defines small business according to criteria set forth in 13 Code of Federal Regulations, Part 121, as amended. The state further requires that small businesses have their principal place of business in Louisiana.

The state estimates that $170,000,000 was spent in fiscal year 1985 through its central purchasing system. It estimates that $90,000,000 was spent on purchases from small businesses, and that an estimated $1,472,576 was spent with minority businesses. All state purchases go through central purchasing.
A system of required set-asides exists in the state (R.S. 1731). Special programs for small business are procurement assistance, seminars and outreach. These programs are part of the operating procedures of the state's central purchasing office.

MAINE

No special consideration is given to small businesses at this time.

Figures for expenditures are not available. There are plans, however, to computerize the system, at which time the state will be able to provide such figures.

A state law permits any political subdivision in Maine to benefit from the state purchasing process. Vendors are asked to indicate if they will accept orders from such political subdivisions at the prices quoted for the state. Vendors who do may set certain conditions for their pricing.

No special programs are currently being used to assist small businesses in the procurement process.

MARYLAND

Maryland defines a small business as one which owns or leases the premises in which it manufacturers or stocks its materials, supplies or equipment; sells and delivers from this same stock in the normal course of business; and maintains and operates this same facility on a continuing basis. In order to qualify for the program, the small business must be independently owned and operated, not be a subsidiary of another firm, and not be dominant in its field of operation.

The firm must also meet the following criteria in relation to its most recently completed fiscal year: its wholesale operations did not employ more than 50 persons, and its gross sales did not exceed $1,000,000; its retail operations did not employ more than 25 persons, and its gross sales did not exceed $500,000; its manufacturing operations did not employ more than 100 persons, and its gross sales did not exceed $500,000; finally, its distributor operations did not employ more than 50 persons, and its gross sales did not exceed $100,000,000.

The state spent $153,491,942 on commodity purchasing in fiscal year 1985, with small business purchases receiving $4,742,422 of this total. Amounts spent with minority proprietors totaled $939,798.
The University of Maryland is the only state agency exempt from the state's central purchasing system.

The state offers assistance to small businesses through statutorily designed percent preferences, simplified application forms, prompt pay statutes, and the publication of registers containing the names of those businesses from which the state purchases over $25,000.

MASSACHUSETTS

In the Commonwealth of Massachusetts, a small business must not be dominant in its field. It must also qualify upon the basis of business field, number of employees, and gross receipts over a three-year period.

An estimated $600,000,000 was spent for total commodities in fiscal year 1985 through the state's central purchasing system. Of this amount, the state estimates that $11,405,954 (based upon actual figures thru April of fiscal year 1986, and estimates for the last two months of fiscal 1986) was spent with small businesses; $68,700,000 was spent with minority firms.

All construction and architectural contracts are under the cognizance of the Division of Capital Planning and Operations (DCPO) of the Executive Office of Administration and Finance. Service contracts, other than those under the cognizance of DCPO, are awarded by each agency. In this latter category are cities and towns, National Guard, Massachusetts Bay Transportation Authority, Massachusetts Port Authority, Massachusetts Turnpike Authority, Massachusetts Aeronautical Commission, and Board of Regents for Colleges and Universities (scholastic equipment only).

The state has a statute requiring that five percent of the cost of commodities should be set-aside for small businesses. In addition, vendors awarded construction contracts are required to provide documentary evidence that at least 10 percent of the total construction price will be awarded by subcontract to minority vendors. Procurement assistance is provided by regulation, and waiver of bonding requirements is a discretionary measure. A policy also provides for prompt pay. There are agency regulations for both seminars and outreach efforts, and a bid subscription service or register.

MICHIGAN

Michigan informally defines small business vendors as those businesses grossing less than $500,000 per year.
In fiscal year 1985, $133,156,000 was spent through Michigan's central purchasing system, $13,280,700 of which was spent with minority businesses. Another $70,000,000 was spent through agencies exempt from central purchasing.

Those agencies in Michigan state government exempt from central purchasing are the judicial and legislative branches, and state-supported colleges and universities. An agreement basis exists under Extended Purchasing Program P.A. 431 of 1984. Those entities which may purchase under this program include local governments, colleges and universities, school districts, and non-profit hospitals.

An array of special programs is in effect in Michigan, mandated by Public Act 153 of 1937 and Public Act 428 of 1980. The acts provide a preference for in-state printing, if possible; a seven percent set-aside for minority vendors, and a five percent set-aside for women-owned business. The state has a one-page application form, and prompt pay legislation (Public Act 179 of 1984). The state participates in seminars and workshops sponsored by outside groups. Two private businesses provide RFQ/RFP information on a fee basis. The Office of Purchasing provides vendor inquiry terminals which give vendors an opportunity to initiate RFQ/RFPs on their own. The state also has drastically reduced bonding requirements, with a maximum of $1,000, and has moved toward using liquidated damages.

MINNESOTA

Minnesota is among those states that formally identify vendors as small businesses. The state's definition of small business is one that employs fewer than 30 and has gross receipts less than $3,000,000.

The state has a program for socially and economically disadvantaged vendors known as the Socially and Economically Disadvantaged (SED) Program. Qualification as a SED business includes having fewer than 20 employees and gross receipts of $1,000,000 or less annually.

In fiscal year 1985, the estimated amount spent through central purchasing was $240,000,000, plus $800,000,000 for all contractural spending. The contractural amount includes consultants, sole source suppliers, welfare, education, medical, public safety, etc. Mandated by legislation, the small business amount was estimated at $60,000,000, or 25 percent of the total. The 25 percent minimum mandated for small businesses does not apply to the contractural amount. Minority firms, including women-owned businesses, accounted for $23,000,000 or nine percent of the $240,000,000.
Agencies exempt from central purchasing spent an estimated $30,000,000. These agencies are also exempt from the 25 percent for small business mandated by legislation. They must, however, honor the 9 percent set aside for SED companies.

The University of Minnesota is totally independent from the state's purchasing system. It may, however, enter into cooperative purchasing agreements with the state, and the state may enter into such agreements with the university.

Any governmental entity that derives its income from taxes may also enter into cooperative purchasing programs with the state, and thus may use state purchasing contracts. These include school boards, cities, state hospitals, counties, etc. Minnesota is the only state to report that those agencies outside state government that use the cooperative purchasing program are assessed a $250 annual fee. At this time, there are approximately 200 entities signed up with the state.

Many special programs exist in the state for small and minority business. The state has required set-asides and percentage preferences set by statute. These programs are for minority, women-owned, and handicapped businesses. The state has simplified its application process whereby a business submits a letter with name and address, a short resume, and a catalog of what type of services it provides.

Consideration is currently being given to waiving bonding and insurance requirements. Prompt pay legislation has been enacted. The state belongs to BIDNET. Once a year, the state holds seminars for businesses located in labor surplus areas.

MISSISSIPPI

The informal definition of small business in Mississippi states that a small business is a firm having less than $1,000,000 per year in sales, and employing not more than 25 persons on a permanent basis.

Mississippi does not have a central purchasing system; therefore, figures for amounts spent in the state are not available.

MISSOURI

Missouri does not formally identify vendors as small business.
In fiscal year 1985, Missouri spent $392,000,000 through central purchasing, and another $696,000 through agencies exempt from central purchasing. A combined figure of $5,436,522 was spent with minority vendors.

The State Highway Department, the judiciary, the legislature, the University of Missouri, and Lincoln University are all exempt from central purchasing.

Missouri has an operating procedure that provides procurement assistance for minority firms. A statute for prompt pay goes into effect July 1, 1986. The state has an operating procedure for seminars and outreach efforts. Notices of bids are sent to the Hispanic Chamber of Commerce in Kansas City, and the Greater St. Louis Chapter of the National Business League.

MONTANA

While Montana does not formally identify vendors as small business, it does use an informal definition. The definition states that a small business is a firm that is independently owned and operated, and not dominant in its field of operation.

The amount spent in fiscal year 1985 was $80,000,000. This figure includes the small business amount as well as amounts spent with minority firms. All agencies within the state must go through the state's central purchasing system.

State law MCA 18-5-304 mandates set-asides.

NEBRASKA

While the state of Nebraska does not formally identify vendors as small businesses, it does follow federal guidelines for defining a small business.

In fiscal year 1985, the state spent approximately $34,000,000 on goods and items. This amount excludes that amount spent for services. No state department or agency is exempt from going through central purchasing. Only the type of buying is exempt, with contractual services being an example (consulting, advertising, etc.). Of the $34,000,000, approximately 80 percent was spent with small businesses. Amounts spent with minorities, women, handicapped, etc., are not available.

Political subdivisions may use state contracts under cooperative purchasing programs. This includes those entities that use state tax dollars, such as cities and counties.
The state has percentage preference in effect only for vendors from states that impose in-state preferences. It is, therefore, a reciprocal arrangement. In Nebraska, this is mandated by statute.

The state provides procurement assistance in a vendors manual, an agency manual, and a minority directory. Based on an administrative decision, the state has simplified its vendor application form. At this time, the state is considering changes in its bonding requirements. There is a directive in the agency for prompt pay, and payments are made within 30 days of delivery. Seminars and workshops are held to help businesses learn about doing business with the state.

NEVADA

The state does not distinguish between the types of businesses that apply for state contracts.

In fiscal year 1985, the state spent approximately $30,000,000 through central purchasing. The amounts spent with small and minority businesses was not reported. Approximately 30 categories of small purchases are exempt from central purchasing. Three of the categories are $100 or less for office supplies, $750 or less for repair parts, and $150 or less for small office supplies. These must all be items that are not stocked in the state warehouse.

The University of Nevada is entitled to use the state's purchasing system. Other entities that may use the state's cooperative purchasing program are cities, counties, and school districts. It is not mandatory that they purchase through the state, but many of them do. All school buses, with the exception of Clark County, are purchased through the state.

Several special programs exist in the state. The state has a one-page bidders' application form. The state has a two-week maximum prompt pay program, provided that everything is in order. Seminars are held on how to do business with state and local government.

NEW HAMPSHIRE

While New Hampshire does not formally identify small business vendors, an informal definition notes that a small business must have fewer than 100 employees.
In fiscal year 1985, the state spent approximately $50,000,000 through its central purchasing system. While figures for the small business amount are not available, statistics for the state show that 77.5 percent of all vendors doing business with New Hampshire employ fewer than 20 employees and that 94 percent of all vendors have 100 employees or less. These figures are current through October 1985.

Plans are underway to identify minority and women-owned firms. New vendors will identify themselves when applying to do business with the state.

Those agencies in the state that are exempt from central purchasing include the State Liquor Commission (which can buy its own liquor), the state university system, the legislature, the court system, the state reporter, the Sweepstakes Commission (which can purchase its own gaming tickets), and the state library (for the purchase of books).

As of July 1, 1986, the central purchasing agency has authority to establish multi-agency service agreements.

Cities, towns, municipalities, and counties are encouraged to use state contracts. Rock salt for highways is one example of what a local unit may purchase through a state contract. Another example is vehicles, such as police cruisers for use by local police departments. Local units are also encouraged to purchase items such as office supplies and paper from the state warehouse.

Correctional institutions in New Hampshire and in other states are included in the state's bidding process. The state purchases mattresses, pillows, road signs, and guard rails from correctional institutions. Printing and wood products are among items purchased from institutions in New Hampshire. There are no required set-asides or percentage preferences for these purchases.

The state also purchases items such as hearing aids and prosthesis from Vocational Rehabilitation vendors. Again, there are no set-asides or preferences mandated by the state.

Procurement assistance is provided to new vendors, including a how-to-do business manual. Regulation has provided for a one-page application form. Waiver of bondings is provided only when justified by certain economic conditions. A prompt pay policy provides for the net amount to be paid in 30 days. Seminars and outreach efforts are held.
NEW JERSEY

The formal definition of small business is a New Jersey-based company with fewer than 100 employees.

The amount spent through advertised bids and annual contract purchases processed through the Purchase Bureau was $472,800,000. The small business portion is estimated at $3,400,000. In fiscal year 1985, set-asides had not yet been established. Legislation was recently enacted to provide set-asides for minority and women-owned businesses.

There are 567 municipalities, 21 counties and 620 school district subscribers in the state's Cooperative Purchasing program.

Statute NJSA 52:32-17 provides a required set-aside. The State Department of Commerce has a procedure for providing seminars and outreach efforts. "Bidnet" is a newsletter issued by the State Department of Commerce.

NEW MEXICO

In New Mexico, a small business means a business, that is not a subsidiary or division of another, and has an average annual volume for the preceding three fiscal years not exceeding $1,500,000.

The State of New Mexico estimates that its central purchasing system spent $500,000,000 in fiscal year 1985. $100,000,000 of this amount was spent with small business vendors. Another $81,000,000 is estimated to have been spent with minority vendors.

The state agencies that are exempt from reporting to central purchasing are the judicial branch, legislative branch, and the State Fair Commission. In addition, educational institutions, the Inter-Tribal Indian Ceremonial Association, and local public bodies may use state contracts under cooperative purchasing programs.

Procurement assistance is legislated by statute NMSA 13-1-185. Statute NMSA 13-1-186 provides for a waiver of bonding requirements.

NEW YORK

Commodity vendors are allowed to identify themselves as small businesses based on criteria established in Chapter 840 of the Laws of 1980: business which resides in New York State, is independently owned and operated, is not dominant in its field, and employs one hundred persons or less.
The state does not certify small business status.

The state spent an estimated $750,000,000 in fiscal year 1985. Of this amount, an estimated $277,000,000 was spent with small businesses. Minority and women-owned businesses received an estimated $9,000,000 worth of business. Workshops for blind and handicapped received approximately $14,000,000 worth of state business outside of competitive bidding through a legally established preferred source program.

Under New York State's cooperative purchasing program, contracts are available to political subdivisions (including public schools and fire departments), private non-profit schools, non-profit museums, voluntary ambulance services, public authorities, and public benefit corporations. Under recently enacted flexibility legislation, the State University system may make purchases of up to $20,000 without coming through central purchasing or utilizing existing state contracts. All other state agencies must make their purchases in accordance with regulations issued by the Office of General Services.

The figures shown above do not include the value of the construction contracting by two state agencies: the OGS Design and Construction Group and the New York State Department of Transportation. They also do not include the value of construction contracting by the other entities listed above. A rough estimate of the total value of the construction contracting by Design and Construction and DOT is approximately $850,000,000 annually. In addition, these figures do not include the value of service contracting in New York State. Service contracting is accomplished at individual state agency or facility levels, in addition to all locations listed above.

The state has several statutes concerning special programs to assist small business participation in the procurement process. These programs are procurement assistance, a waiver of bonding requirements for construction contracts under $20,000, prompt pay policy, seminars, and outreach efforts. In addition, the state has a Directory of Small Service Vendors, a resource tool created by the Department of Commerce for distribution among state agencies.

NORTH CAROLINA

Small business is described as any company whose business grossed less than $500,000 in a year and has fewer than 100 employees.
Amounts of purchasing in fiscal year 1985 consisted of approximately $200,000,000 which was spent by agencies other than central purchasing. Central purchasing spent $450,000,000 during the year. An estimated $12,000,000 was spent with small businesses from agencies besides other than purchasing, with central purchasing spending $28,000,000. Central purchasing spent $2,872,000 during the year with minority small business proprietors, while other state agencies spent an estimated $120,000 with this group.

No agencies within the state are exempt from central purchasing.

As part of its operating procedure, the Division of Purchase and Contract of the Department of Administration provides services to small business through procurement assistance, simplified application forms, seminars, and outreach efforts. By statute, bid subscription services and registers are published.

NORTH DAKOTA

The state does not formally identify vendors as small businesses, and has no definition for small business.

A total of $25,250,000 was spent in fiscal year 1985 for supplies and equipment through the state's central purchasing system. An additional $250,000,000 was spent by the state's colleges, universities, and the state highway department.

The state has an arrangement whereby vendors may agree to provide the same price they offer the state to other entities within the state. These entities include counties, cities, school districts, and townships.

Special programs that exist in the state are a policy for waiver of bonding requirements, and seminars and outreach efforts in conjunction with the Small Business Administration. The state maintains a list of bidders by category of service offered.

OHIO

An informal definition of small business is any enterprise which has equal to or less than 150 employees.

The state gives an actual figure of $142,944,395 for fiscal year 1985 procurement. This figure includes small business amounts. Of the total spent, $15,555,640 was spent with minority vendors.
The agencies exempt from central purchasing are the Boards of Elections, the judiciary, the General Assembly, the National Guard, educational institutions, and state agricultural experimental stations. Universities can use state contracts. Cities, counties, and local governments, under the cooperative purchasing concept, may use the state contracts of the central purchasing unit of the State.

Ohio has a special set-aside for minority businesses.

OKLAHOMA

The federal definition of small business is used as the state's formal definition.

In fiscal year 1985, the state spent $450,000,000 through its central purchasing program. This amount was spent among more than 8,000 vendors. Of this amount, an estimated $200,000,000 was spent with small businesses. From $80 to $100 million was spent with minority vendors. Figures for amounts spent with agencies exempt from central purchasing are not available.

Those agencies exempt from central purchasing include all higher education and construction.

There is prompt pay legislation in the state. In addition, the state has a policy of providing seminars and outreach services.

OREGON

Oregon formally identifies business as small through Title 13, Part 121 as stated in the Code of Federal Register. This is the definition established by the SBA.

It is estimated that $200,000,000 was spent in fiscal year 1985 through Oregon's central purchasing system. Of this amount, an estimated $8,800,000 was spent with small businesses, and an additional $3,460,000 was spent with minority, women and handicapped businesses (approximately 1/3 is spent with handicapped vendors). The total spent through agencies which are exempt from central purchases is approximately $156,310,000.

The Department of Transportation and the Oregon system of higher education are exempt from central purchasing for capital construction. There is also a small purchasing program where authority is delegated to various state agencies for purchasing necessary items without going through the state's central purchasing program.
Authorized political subdivisions are delegated authority for cooperative purchasing through state contracts. This includes incorporated and unincorporated cities, counties, school districts, and fire districts. There are 1,756 entities that receive notice of contracts. Approximately 1200 actively participate in this purchasing program.

Oregon has a wide array of programs to provide assistance to small, minority and women-owned firms. Oregon Revised Statute 279053 provides for set-asides for minority and women-owned firms. A simplified application form is available for all businesses involved in the state's purchasing program. Waiver of bonding requirements is available for public works contracts under $10,000. A waiver of bonding is also available, under certain circumstances, for minority firms. Oregon statute ORS 279 provides interest at a rate of one-half of one percent for bills that are 45 days old. Seminars and outreach efforts are provided to small and small disadvantaged and minority firms. This includes information on state, federal, and local contracts. The state uses BIDNET as a vehicle for publishing contracts available for bid.

Finally, handicapped firms are exempt from competitive bidding. This is a set-aside that is directly negotiable and not bound by a certain percentage.

PENNSYLVANIA

While Pennsylvania does not formally identify small businesses, 100 or fewer employees is the definition used in its fast payment legislation.

The total amount of state funds spent through central purchasing for fiscal year 1985 was $332,786,923. Amounts for small and minority businesses are not known. Figures for amounts spent through agencies exempt from central purchasing are not available.

Those agencies exempt from purchasing through the state's central purchasing system are state universities and the legislative body. Cooperative purchasing exists for private colleges, private universities, and political subdivisions. Offering cooperative purchasing to private colleges and universities is somewhat unique.

Operating procedures exist for simplified application forms, seminars, and outreach efforts. There is a prompt pay statute on the books. Finally, there is an agency regulation permitting a bid subscription service or register.
RHODE ISLAND

At this time, Rhode Island does not identify small businesses as such, nor does it employ a definition of small business.

Amounts spent on state purchases are not presently available as the state currently has only an aggregate figure for its expenditures. Included in this figure are grants to cities and towns, CALF expenditures, amounts spent for senior citizens, etc., as well as amounts spent on state purchasing.

Certain agencies are exempt from central purchasing, including the state lottery commission, the port authority, and the Rhode Island Transit Authority, which runs the buses. These are all autonomous agencies, each having its own purchasing system. Cities and towns are able to share in joint purchasing efforts along with the state, if they so desire.

While no special programs exist in the state to assist small or other businesses in the procurement process, there is a minority set-aside currently under consideration. This set-aside would be a procedural act by executive order, and not by statute.

SOUTH CAROLINA

While South Carolina does not formally identify vendors as being small businesses, it does follow a definition developed in the Small Business Development Division of one of its major universities. This definition is that a small business is one employing 200 or fewer employees and not chain- or franchise-affiliated.

During fiscal year 1985, the state spent $93,500,000 through its central purchasing division. While the small business amount is not known, the state did spend $2,000,000 with minority and women-owned businesses. Another $188,775,000 was spent through other than central purchasing, of which $35,000,000 was spent with women- and minority-owned business.

Local public entities which include cities, counties, municipalities, school districts, public service or other special purpose districts may participate with central purchasing on an optional basis.

By statute, the state provides procurement assistance, seminars and outreach efforts, and bid subscription service (or register) for minority businesses only. No assistance is specially designated for small businesses.
SOUTH DAKOTA

While South Dakota does not formally identify vendors as small businesses, it has recently included a form for the identification of small businesses in line with federal procurement and PL-57-501. The state has adopted the federal definition of small business, disadvantaged, Hispanic, native American, black, etc. New vendors are asked to identify themselves according to these categories.

In fiscal year 1985 South Dakota spent $28,457,069.

Those agencies in South Dakota that are exempt from central purchasing are the department of transportation (for construction projects) and the state engineer's office (for building construction).

Cities, counties, school districts, and other public entities may purchase under state contract.

Special programs for small businesses include a reciprocal method of percentage preference, an optional waiver of bonding requirements, a prompt pay plan, and a bid subscription service which will be in effect July 1986.

Bonding assistance is not legal in the state. A "How to Do Business" manual is now being finalized and will soon be ready for distribution.

TENNESSEE

Tennessee's formal definition for small business is a business with up to 99 employees, depending on the type of business. It can have a sales volume up to $1,500,000, again depending on the type of business.

The incremental limits on the number of employees are 9, 19, 49, and 99. The limits for annual sales volume are $500,000; $1,000,000; and $1,500,000. The categories for setting these limits are: agriculture, forestry and fishing, mining, construction, manufacturing, transportation, electric, gas, communications, sanitary services, wholesale trade, retail trade, regional registrations made at wholesale level, services, public administration, and nonclassifiable establishments.

While 86 types of businesses have a limit of 19 employees, 47 limit themselves to 9, 11 have a limit of 49, and only three have a limit of 99 employees. Those three are: manufacturing; uniform service, including providing and cleaning uniforms; and dust control and shop towel services, including dust mops and materials, wiping cloths, walk-off mats, protective coverings, etc.
The state spent $96,000,000 during fiscal year 1985. Of this amount, $9,500,000 was spent with small businesses. The amounts spent with minority firms and amounts for expenditures for agencies exempt from central purchasing are not available.

The General Assembly, the University of Tennessee, state universities, the community college system, and state technical institutes are exempt from the state's central purchasing agency.

The following agencies may use the state's contracts when authorized by the bidder as a stipulation in terms: city and county governments, city and county hospitals, and other institutions operated by the cities or counties.

Tennessee has purchasing procedures to assist small businesses with registration. The procedures include simplified application forms. There is a statute for prompt pay. The state provides seminars and outreach efforts to assist in attracting small businesses as bidders. Small businesses are given preference when breaking a tie bid.

Finally, agencies in the field are encouraged to patronize small, local businesses on a local purchase basis using their delegated purchasing authority.

TEXAS

Texas formally identifies small business vendors. In Texas, small business means a corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit, which is independently owned and operated, and has either fewer than 100 employees or less than $1,000,000 in annual gross receipts.

A minority business is a business enterprise that is owned or controlled by one or more socially or economically disadvantaged persons. Such disadvantages may arise from cultural, racial, chronic economic circumstances, background or other similar cause. Such persons include, but are not limited to blacks, Puerto Ricans, Spanish-speaking Americans, American Indians, Eskimos and Aleuts. In Texas, the term minority business enterprise also means a business that is at least 50 percent owned by minority group members, or a publicly owned business of which at least 51 percent of the stock is owned by minority group members.
In fiscal year 1985, Texas spent $750,000,000. Of this amount, $87,683,275 was spent with small businesses, and $11,675,000 was spent with minority firms. Agencies that are exempt from central purchasing spent $240,000,000 with $105,000,000 going to small businesses, and $3,533,466 going to minority firms.

While all large purchases must go through central purchasing, items for lesser amounts and service contracts may go through individual agencies.

Under certain conditions, cities and counties may use the state contracts.

The only special program in Texas is prompt pay that went into effect on July 1, 1986. This program was statutorily created by H.B.275, 69th legislature.

UTAH

Utah defines a small business as one with less than 100 employees. The state does not formally identify vendors as small businesses.

The state defines minority businesses as being at least 51 percent owned by one or more socially or economically disadvantaged individuals.

In fiscal year 1985, out of an estimated $140,000,000, the state spent $9,000,000 with minority and women-owned businesses.

Political subdivisions and other eligible non-state operated agencies can use state contracts under cooperative purchasing. This includes universities, colleges, school districts, cities, and towns in Utah.

While the state does not offer special programs for small businesses, there is a liaison for minority and women-owned businesses in the state purchasing office.

VERMONT

Vermont has no definition for small business, either formal or informal.

For fiscal year 1985, Vermont spent an estimated $45,000,000 through its central purchasing system. The amounts spent through other agencies, and small business and minority business amounts are not available.
All capital construction contracting for the Vermont Buildings Department and the Vermont Transportation Agency are exempt from central purchasing. State colleges and the University of Vermont are also exempt from central purchasing.

An operating procedure in Vermont provides seminars and outreach efforts to assist small businesses participating in the state procurement program.

VIRGINIA

The State of Virginia defines a small business as being a corporation, sole proprietorship, or other legal entity formed for the purpose of making a profit and is independently owned and operated. Additionally, such entities must have fewer than 100 employees or less than $1,000,000 in annual gross receipts.

Virginia spent approximately $100,000,000 in FY 1985 through central purchasing for commodity procurement. An estimated $13,500,000 was small business purchases. The amount spent with minority proprietors totalled an estimated $2,700,000. Five state agencies are exempt from reporting to central purchasing. These agencies include the Department of Highways and Transportation, the Department of Information Technology, and three state universities (Virginia Polytechnic Institute and State University, the University of Virginia, and Virginia Commonwealth University).

Virginia affords procurement assistance for small business through three state agencies: the Division of Purchases and Supply, the Department of Minority Business Enterprises, and the Department of Economic Development (Small Business Office). Prompt pay requirements are specified by statute. The state also offers assistance through seminars and outreach efforts that the Division of Purchases and Supply conducts as part of its operating procedure. The division also offers a centralized registration and a weekly subscription publication of business opportunities in order to aid small businesses.

WASHINGTON

An informal definition of small business in Washington is that they not be dominant in the marketplace, and employ 500 or less persons.

Washington purchased $119,800,000 through central purchasing and $450,000,000 through other state agencies.
Approximately 80 percent of the central purchasing amount went to small business vendors.

A combined total of $730,403,103 was spent by the state, including expenditures by the various state universities. Of this total, $63,593,319.09 or 8.71 percent was spent with minority enterprises. Expenditures with women-owned business accounted for $24,416,678.50 or 3.34 percent of the total.

Laws and procurement regulations require simplified application forms and prompt pay for all businesses. More than 4200 vendors were contacted in the last 3 1/2 years in a combined program with the federal government to provide seminars and outreach efforts.

WEST VIRGINIA

West Virginia does not formally identify vendors as small businesses. While the state does not have a small business statute, a statute was recently established that permits the state to set aside certain purchases to be made from sheltered workshops for the handicapped, if it is determined that goods and services can be obtained without sacrificing price, quality and other required needs.

For fiscal year 1985, the state reports that the amounts spent through central purchasing and through those agencies exempt from central purchasing are the same. The figures are $200,000,000 for total purchases, $100,000,000 for the small business amounts, and $500,000 for amounts spent with minority-owned firms.

Those entities exempt from central purchasing are colleges and universities, and the Department of Highways (for new road and bridge construction). A total of 160 political subdivisions (cities, towns, counties, and other tax-supported bodies) participate in the state's cooperative purchasing program.

While the state does not have a small business statute, there are several statutes that offer assistance to vendors. There is the newly enacted statute for sheltered workshops. If requested by organizations that represent small business, the Purchasing Division will explain procedures or assist in any way possible as a matter of principle.

All vendors benefit from the state's prompt pay legislation. Interest at a rate of 1.5 percent is paid on bills that are over 60 days late. A departmental operating procedure provides seminars and outreach efforts. All vendors can participate in BIDNET.
WISCONSIN

Wisconsin formally identifies small business vendors as those with annual sales of less than $1,500,000.

Central purchasing in Wisconsin does not write purchasing orders. The total amount of state purchases for fiscal year 1985 was $500,000,000. This amount does not include construction or local unit of government expenditures. Of this amount, $200,000,000 was spent with small businesses, and $5,000,000 with minority firms.

All agencies, including the University of Wisconsin, report purchasing dollars. Local units of government figures are not reported.

Wisconsin has operating procedures to provide procurement assistance, simplified application forms, waiver of bonding requirements, seminars and outreach efforts, and a bid subscription service or register. A statute exists which provides for prompt pay. The state is developing a vendor manual.

WYOMING

While Wyoming does not formally identify vendors as small business, it does use an informal definition. A small business is independently owned and operated with less than $13,500,000 annual revenues and less than 100 employees.

Figures for state spending are not available.

The legislative and judicial branches, the Wyoming Highway Department, and the University of Wyoming are exempt from central purchasing.

The state provides procurement assistance to small businesses. The Purchasing and Property Control Division provides special assistance for small and minority businesses to ensure that such businesses have an equitable opportunity to compete for the State of Wyoming's procurement transactions. For this purpose, the Program Manager is available to provide information to assist small and minority businesses in becoming aware of state purchasing procedures, and to assist in solving specific problems of small and minority businesses which are currently doing business with Wyoming.
APPENDIX I
STATE PURCHASING OFFICIALS

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Deputy Commissioner
DAS/Bureau of Purchases
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Middletown, CT 06457
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Bureau of Support Services
Department of Central Management Services
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Alan Leonard, Director
Procurement Division
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Purchasing and Materials Management
Division of General Services
Hoover State Office Building
Des Moines, IA 50319
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Division of Purchases
Finance and Administration Cabinet
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7389 Florida Blvd., Box 94095
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301 W. Preston Street
Baltimore, MD 21201
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State Purchasing Agent
Purchasing Agent's Division
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Director of General Services and
  Acting Administrator of Purchasing
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Standards and Purchase Group  
Office of General Services  
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Rockefeller Empire State Plaza  
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Division of Purchase and Contract  
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State Purchasing Agent  
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State Purchasing Administrator  
Office of Administrative Services  
Department of Administrative Services  
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Office of Public Affairs  
Central Purchasing Division  
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Salem, OR 97310  
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Pennsylvania
Lamar E. Shomper, Director
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Rhode Island
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Materials Management Officer
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Assistant Commissioner
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Department of General Services
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State Purchasing and General Services Commission
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Purchasing Director/Public Records Director
State Administration Building
Montpelier, VT 05602
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Department of General Services
Division of Purchases and Supply
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Deputy Director of Purchasing
State Purchasing Division
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Purchasing Division
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Wisconsin
Larry Eisenberg, Director
Bureau of Procurement
Department of Administration
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Madison, WI 53707
(608) 266-0974

Wyoming
Robert M. Skyles, RSBO, Administrator
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Department of Administration and Fiscal Control
Room 301, Emerson Building
Cheyenne, WY 82002
(307) 777-7501
APPENDIX II
REFERENCES


STATE PROCUREMENT AND SMALL BUSINESS

Your participation in this survey is strictly voluntary. We hope that you will participate since the results of this effort should greatly aid state and federal officials in understanding and improving the procurement process. Thank you for your cooperation.

Please return the completed form by May 1, 1986, to:
Ruth Osser
The Council of State Governments
Iron Works Pike, P. O. Box 11910
Lexington, KY 40578
(606) 252-2291

State ____________________________________________
State Agency ______________________________________
Name of Person Completing Survey __________________________
Title _______________________________________________
Address ____________________________________________
________________________________________________________________________
Telephone Number ______________________________________

Part I. Volume

A. Do you formally identify vendors as "small business"?
   Yes  No

If yes, what is the definition of "small business"?
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

If no, please give us your informal definition of "small business".
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
B. Please fill in the following matrix for your state's fiscal year 1985. Indicate the total dollar amount of state purchases, and whether it is an actual or an estimated figure. You may include amounts spent for construction, service contracts, and commodity procurement; if the amounts do not include these activities, please indicate).

TOTAL AMOUNT OF STATE PURCHASES
FISCAL YEAR 1985

<table>
<thead>
<tr>
<th>Total Spent Through Central Purchasing</th>
<th>Total Spent Through Other Agencies, State or Otherwise*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total State Funds Spent</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$____ Actual</td>
</tr>
<tr>
<td></td>
<td>$____ Estimate</td>
</tr>
<tr>
<td></td>
<td>$-- Not Avail.</td>
</tr>
</tbody>
</table>

| Small Business Amount                |                                                        |
|                                      | $____ Actual                                           | $____ Actual |
|                                      | $____ Estimate                                         | $____ Estimate |

<table>
<thead>
<tr>
<th>Amounts Spent with minorities, women, handicapped, etc.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicate classification if possible (Optional)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$____ Actual</td>
</tr>
<tr>
<td></td>
<td>$____ Estimate</td>
</tr>
</tbody>
</table>

C. *Please list those state agencies exempted from reporting to central purchasing. If appropriate for your state, include political subdivisions and other eligible non-state operated agencies using state contracts under cooperative purchasing programs. Please include any qualifying or explanatory notes regarding these agencies.

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
________________________________________________________________________
Part II. SPECIAL PROGRAMS

Please check the method(s) currently used to assist small business participation in the procurement program, and indicate the authorization for each (i.e., statute, agency regulation, operating procedure, etc.):

<table>
<thead>
<tr>
<th>METHOD</th>
<th>AUTHORIZATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required set-asides</td>
<td></td>
</tr>
<tr>
<td>Percentage preference</td>
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<tr>
<td>Procurement Assistance</td>
<td></td>
</tr>
<tr>
<td>Simplified application form</td>
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<tr>
<td>Waiver of bonding requirements</td>
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</tr>
<tr>
<td>Prompt pay legislation/policy</td>
<td></td>
</tr>
<tr>
<td>Seminars and outreach efforts</td>
<td></td>
</tr>
<tr>
<td>Bid subscription service or register</td>
<td></td>
</tr>
<tr>
<td>Bonding Assistance</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
</tr>
</tbody>
</table>

Other: ____________________________________

4/10/86