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**Report on the Minnesota Small Business and
Small Targeted Group Business Procurement Program**

Pursuant to Minnesota Statutes § 16C.18, Subd. 2

**Activities of the Minnesota Department of
Employment and Economic Development
For the Period
Oct. 1, 2005 to June 30, 2006**

**Report of the Commissioner of Employment and
Economic Development Pursuant to Minn. Stat. § 16C.18 Subd. 2
For the Period 10/1/05 – 6/30/06**

Introduction

Minnesota Statutes § 16C.18 Subd. 2 requires the Commissioner of the Department of Employment and Economic Development to submit an annual report to the Governor and the Legislature on activities of the Department of Employment and Economic Development relating to the operation of Minnesota's small business and small targeted group business procurement program. The legislation directs that the report shall include the following information:

- (1) the efforts undertaken to publicize the provisions of the small business and small targeted group business procurement program during the preceding fiscal year;
- (2) the efforts undertaken to identify small targeted group businesses and the efforts undertaken to encourage participation in the targeted group purchasing program;
- (3) the efforts undertaken by the commissioner to remedy the inability of small businesses and targeted group businesses to perform on potential contract awards; and
- (4) the commissioner's recommendations for strengthening the small business and small targeted group business procurement program and delivery of services to small businesses.

Efforts to publicize provisions of the program.

The department includes in each yearly edition of *A Guide to Starting a Business in Minnesota* a section on procedures of state procurement to include the small business set aside and state procurement from small targeted group businesses. For the period of this report in excess of 15 thousand copies of the *Guide* were distributed. In addition the department includes questions on selling to the federal and state government in its set of "frequently asked questions" answered on the web sites of the department's Small Business Assistance Office [www.mnsbao.com] and Small Business Development Center [www.mnsbdc.com].

To broaden the availability and accessibility of information on selling to the government, the department utilizes the Small Business Development Centers to provide information and training on both federal and state programs. For the period of this report there were 12 such sessions in the Twin Cities, Duluth, Moorhead, St. Cloud, and Bemidji with a total of 135 attendees. Five of the sessions focused exclusively on state procurement (including one devoted to professional/technical contracts). The remaining seven contained material on both state and federal procurement processes and opportunities.

Efforts to identify small targeted group businesses and efforts to encourage participation in the program.

Since *A Guide to Starting a Business in Minnesota* remains a point of first contact for many individuals – especially new businesses – looking at possible sales to the state, the department takes care to ensure that up-to-date information about procedures and opportunities appears there. As noted in this report for 2004-2005, in the 2006 edition of the *Guide* the department updated the state procurement section to reflect three major changes: new language prohibiting foreign corporations from performing state contracts unless those corporations have registered to collect Minnesota sales and use taxes; new language requiring state agencies to consider using Government Training services for training contracts before approaching other vendors; new language requiring the Commissioner of Administration to facilitate the participation of small businesses in state master contracts.

The *Guide* also now includes directions, in its “Resources” section, to the web sites of the Materials Management Division of the Department of Administration and to that Division’s vendor help line.

Efforts to remedy the inability of small businesses and targeted group businesses to perform on potential contract awards.

By statute (Minn. Stat. § 16C.18 Subd. 2(3)) this activity is conducted with clients referred to the department by the Materials Management Division of the Department of Administration. There were no such referrals in the period of this report.

Recommendations for strengthening the small business and small targeted group business procurement program and delivery of services to small businesses.

The Department of Employment and Economic Development has no recommendations at this time.