



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

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**Memorandum**

**To:** Senator Mary Ann Salmon, Co-Chairman  
Representative Tommy Lee Baker, Co-Chairman  
Arkansas Legislative Council

**From:** Jane Benton, Director

**Date:** November 28, 2011

**Subject:** State Procurement Semiannual Minority Report – January through June 2011

The Office of State Procurement (OSP) works jointly with the Small and Minority Business Division (SMB) of the Arkansas Economic Development Commission to analyze the State's usage of minority businesses in contracting. Act 1222 of 2009, more commonly known as the Minority Business Economic Development Act (MBDA), clarified language in Ark. Code Ann. § 15-4-301 and developed new reporting criteria for State agencies, colleges and universities of their usage of minority businesses, which is reported through the Minority Business Advisory Council to the Governor.

Arkansas Code sections 1-2-503 and 15-4-303(1) (A) define a minority as a lawful permanent resident of this state who is:

- (A) African American
- (B) Hispanic American
- (C) American Indian
- (D) Asian American
- (E) Pacific Islander American, or
- (F) Service Disabled Veteran

*Note: Arkansas's definition does not include gender; therefore, women-owned businesses are normally not reported. However, at a Committee Member's request, that information is included below.*

Ark. Code Ann. § 25-36-104 requires a semiannual report to the Governor and to the co-chairs of the Legislative Council, the Legislative Joint Auditing Committee and the Minority Business Advisory Council on the following:

- (A) The dollar amount for State contracts greater than \$25,000 awarded to minority-owned businesses. OSP awarded a total of 175 contracts during this time period totaling \$108,531,042.

**Contracts awarded to minority businesses:**

<b>Vendor</b>	<b>Minority Type</b>	<b>Agency</b>	<b>Amount</b>
EC Professional Video	Asian American	AETN	\$ 53,600
Elkins Machinery	American Indian	Dept of Correction	\$ 141,020
Jewel of a Lawn	African American	Military Dept	\$ 47,570
Advantage Communications	African American	Dept. Workforce Svcs	\$ 151,045
James McElroy	African American	State Police	\$ 40,500
United Data Technologies	Hispanic American	DFA	\$1,000,000
Sology	African American	DFA	<u>\$1,000,000</u>
TOTAL			\$2,433,735

- The percentage of minority-owned businesses awarded contracts was 4%.
- Minority business contracts comprised 2.2% of the total dollars contracted.

**Contracts awarded to women-owned businesses:**

<b>Vendor</b>	<b>Minority Type</b>	<b>Agency</b>	<b>Amount</b>
Loretta Foster	Women-owned	State Police	\$120,000
Uniforms & Accessories Warehouse	Women-owned	Dept of Correction	\$ 29,990
Ferguson Crop Insurance	Women-owned	Dept of Correction	<u>\$ 29,421</u>
TOTAL			\$179,411

- The percentage of women-owned businesses awarded contracts was 1.7%.
- Women-owned businesses comprised .17% of the total dollars contracted.

(B) The total dollar amount spent on contracts by state agencies, colleges and universities.

The Small and Minority Business Division of the Arkansas Economic Development Commission is currently the state agency responsible for collecting, tracking and reporting on the amount spent with Minority Businesses.

(C) The number and percentage of minority-owned businesses awarded contracts by the agency.

Included in (A) response.

Also noted during the reporting period are the following contracts issued by the Office of State Procurement under the \$25,000 threshold:

<b>Vendor</b>	<b>Minority Type</b>	<b>Agency</b>	<b>Amount</b>
Legoria Payton	African American	Minority Health	\$ 18,400
Advantage Communications	African American	Minority Health	\$ 24,999
The Design Group	African American	Minority Health	\$ 21,000
The Design Group	African American	Minority Health	\$ 7,824
The Design Group	African American	Minority Health	\$ 24,900
Advantage Communications	African American	Minority Health	\$ 24,900
DRS Services	African American	AR State Police	\$ 13,500
DRS Services	African American	School for the Deaf	\$ 13,156
CleanTeam	African American	AR Building Auth	<u>\$ 13,555</u>
TOTAL			\$162,234