

# SMALL ORDERS WITH CERTIFIED MINORITY CONTRACTORS

There is a provisional condition that applies to extend the upward limit of \$20,000 for SO procurement. Purchases up to \$40,000 may be made from a contractor who is a *Certified* Minority-Owned Business Enterprise (CMBE) or a *Certified* Women-Owned Business Enterprise (CWBE) under the small order procurement method. Refer to TSS R1: 19-11-231 for more information about CMBEs and CWBEs.

A minority-owned business is defined by A.C.A § 15-4-303 as a business owned by a lawful permanent resident of this State who is:

- African American
- American Indian
- Hispanic American
- Pacific Islander American
- A Service-Disabled Veteran as designated by the United States Department of Veteran Affairs

Being “certified” means that a minority-owned or woman-owned contractor has been vetted by the Arkansas Economic Development Commission (AEDC) and has been issued an Arkansas certification number from AEDC.

To see a list of Arkansas certified contractors, see the AEDC website:

<https://www.arkansasedc.com/community-resources/Minority-and-Women-Owned-Business-Enterprise-Resources>.

When executing a small order from a certified contractor which is between \$20,000 and \$40,000, you must document the certification number in your procurement records.

To help support equal opportunity and economic development in every sector of the State, A.C.A § 15-4-302 requires State agencies to strive to ensure that their expenditures in State-funded and State-directed public construction programs and in the purchases of commodities and services each fiscal year are paid to Minority Business Enterprises and Women-Owned Enterprises with the following goals:

10% of the agency’s annual expenditures for minority enterprises, allocated in the following amounts:

- 2% for Service-Disabled Veteran-Owned Minority Business Enterprises
- 8% for all other minority business enterprises

This includes 5% of the agency’s annual expenditures for Women-Owned Business Enterprises

Agencies are required to report their spending with Minority and Women-Owned businesses on their Minority Spend Report. By utilizing the certified vendors listed on the AEDC website, these goals are more easily achievable.

See your supervisor for direction on how your agency documents and tracks these purchases.

It is not common to use a p-card to execute a SO between \$20,000 and \$40,000 from a CMBE or a CWBE, but if you do, you may make the purchase either in-person or online as you would any other SO purchase with a p-card.

To document spending with a certified contractor, submit your receipts to your agency's contact and be sure that your agency's credit card reviewer compiles the necessary data regarding the purchase so that it can be included in your agency's report.

### REMINDER

Procurements that exceed \$20,000 require a PR to initiate the purchase. If you are using a PO for a small order purchase from a Minority or Women-Owned business that exceeds \$20,000, a PR must be created prior to creating the PO. After the PR is approved and assigned to a buyer, the buyer typically creates the PO to submit to the contractor.

Small orders are the simplest and quickest way to make a purchase and will most likely be the method used for most your agency's small procurements. Use the job aid flowchart, ***Small Order Procurement Process***, to help you determine whether a simple small order purchase is permitted.

For direction on the possible required documentation for a small order, see the Job Aid ***Required Supplemental Documents for Contracts***.