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Ohio minority-owned businesses see continued growth through state purchasing program

COLUMBUS (Oct. 11, 2016) — For the second consecutive year, the State of Ohio has exceeded the goal of its Minority Business Enterprise (MBE) program by purchasing 23.63 percent of eligible goods and services through certified minority-owned businesses, while spending a record of nearly \$298 million. Ohio’s MBE program, established in 1980, mandates that state agencies set aside 15 percent of their annual purchases for goods and services for certified minority-owned businesses.

“Under the leadership of Governor Kasich, Ohio remains committed to expanding its base of suppliers by encouraging qualified minority businesses to work with the state to supply the goods and services we need to operate,” said Gregory L. Williams, state equal employment opportunity coordinator and deputy director of the Equal Opportunity Division of the Ohio Department of Administrative Services, which certifies businesses into the MBE program. “As entrepreneurs utilize this program to grow their businesses, we are continually looking at ways to enhance the program to ensure that it better supports business development.”

Out of the eligible expenditures for goods and services purchased during Fiscal Year (FY) 2016, a total of 21.29 percent were set aside for MBE-certified businesses. Another 2.34 percent of eligible goods and services were purchased from MBE-certified businesses through open-market contracts.

Ohio’s MBE-certified supplier base remains steady with 282 businesses receiving work in FY 2014, 325 businesses in FY 2015 and 316 in FY 2016, which ended June 30. During this period state spending with MBE-certified suppliers continued to grow:

- \$165 million in FY 2014
- \$228 million in FY 2015
- \$297 million in FY 2016

Ohio’s Equal Opportunity Division oversees the MBE program and helps to ensure equal opportunity access to and fair treatment in government contracting. It strives to maximize contracting opportunities through certification of minority-owned, women-owned and socially and economically disadvantaged businesses.

“We are excited about the increased spending with Ohio minority-owned businesses,” said Jeffrey L. Johnson, chief of the Minority Development Division of the Ohio Development Services Agency. “Our momentum is strong and we will continue to help develop and grow Ohio small, minority-owned and disadvantaged businesses.”

Background

On Dec. 17, 1980, House Bill 584 was signed into law, establishing the MBE program, which mandated that state agencies set aside 15 percent of their annual purchases for goods and services for certified minority-owned businesses.

As a member of the General Assembly in 1980, Governor Kasich voted to support House Bill 584 and after becoming Ohio's governor made its achievement a priority of his administration.

Since 2011, the state has made steady progress in identifying set-aside opportunities, certifying minority-owned businesses and matching them with state contract opportunities. State agencies, boards and commissions now produce annual spending plans that project set-aside contract and procurement opportunities for qualified MBE-certified businesses, the aggregate value for which is at least 15 percent. In 2015, Ohio reached the 15 percent goal for the first time.

In addition to MBE set-aside contracts, many minority-owned firms have secured state contracts through the open market by bidding against non-minority firms.

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