



For Immediate Release
Aug. 12, 2014

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State of Ohio sets records for buying from minority-owned businesses

Governor Kasich stresses, "There is still more work to be done."

COLUMBUS — The State of Ohio is making steady progress toward helping to ensure the growth of Ohio minority-owned businesses through the Minority Business Enterprise (MBE) program.

"Ohio is strongest when as many Ohioans as possible have an opportunity to share in our state's growing economic strength," Gov. John R. Kasich said. "The same is true for the way state government sources the goods and services it needs to carry out its mission serving Ohioans. The harder state government works to secure the best value for what it purchases, from the widest possible range of suppliers, the better it is for taxpayers and the better it is for Ohio.

"One way that Ohio does this is through the MBE program, which seeks to expand the options for state purchasing by encouraging minority-owned businesses both small and large to do business with the state and by directing state agencies to source a portion of their goods and services from minority vendors," Kasich said.

Since 2011, the state has made steady progress in expanding its base of suppliers by identifying more qualified minority businesses and encouraging them to work with the state to supply the goods and services it needs. Fiscal Year 2014 was a record year, with highlights including:

The State of Ohio spent more money with minority-owned businesses than ever before.

- \$165 million spent in Fiscal Year 2014 (This includes purchases set aside to be awarded via competitive bid to minority-owned businesses, as well as purchases awarded to minority-owned businesses via competitive bid against all other types of businesses.)
- This is an increase from \$106 million in Fiscal Year 2013 and from \$27 million in Fiscal Year 2008.

More minority-owned businesses did work for the State of Ohio than ever before.

- The state purchased goods or services from 282 certified MBE businesses in Fiscal Year 2014 (up from 207 businesses in Fiscal Year 2013 and 168 in Fiscal Year 2008).



More cabinet agencies met their goal for purchases from minority-owned businesses than ever before.

- In Fiscal Year 2014, 17 out of 24 agencies met the 15 percent goal for purchases from minority businesses, up from 10 agencies in Fiscal Year 2013;
- In Fiscal Year 2014, 41 of 50 boards and commissions met the 15 percent goal, up from 14 in Fiscal Year 2013.

Applications for certifications from minority-owned businesses to be eligible for the MBE program were processed faster and more efficiently than ever before.

- Historically, processing a certification could take up to 90 days. Today, it takes an average of 19 days for certification and a new “fast track” system reduces priority applications to five days.

Gov. Kasich said, “The State of Ohio will continue its commitment toward making and exceeding the 15 percent goal. We are committed to ensuring that qualified Ohio minority-owned businesses succeed, and we have put the force of our administration behind this commitment. However, there is still more work to be done.”

The MBE program is administered by the Equal Opportunity Division of the Ohio Department of Administrative Services. Minority business owners interested in learning more about MBE certification are encouraged to visit mbe.ohio.gov call 614-466-8380.

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Background

On Dec. 17, 1980, House Bill 584 established the MBE program which mandated that state agencies set aside 15 percent of their annual purchases for certified minority-owned businesses.

As a member of the General Assembly in 1980, John 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 potential contract opportunities for qualified MBE-certified businesses.

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.