

Theodore R. Kulongoski  
Governor



March 28, 2005

To: Agency Heads

Oregon is a state of great geographic, economic and supplier diversity. Statistics show that Oregon is a small business state and I want to capitalize on that. Within the small business sector, minority and women business ownership far outpaces the mainstream business growth. It is estimated that women owners make up 30% of businesses and minority owned businesses represent 10% of Oregon businesses. That equals over 1/3 of all Oregon businesses. While these numbers in and of themselves are impressive, I want to ensure that state government is taking advantage of the changing demographics in our society and business community.

I have met with chamber audiences, minority and women business owners, and numerous emerging small business owners and have committed to opening up contracting opportunities for them. In Oregon we have the ability to set a course that makes those opportunities available to minority, women and emerging small businesses. Recently, Lydia Muñiz, my Advocate for Minority, Women and Emerging Small Businesses, and Laurie Warner, Department of Administrative Services Acting Director, agreed to pursue a policy direction by which state agencies under DAS authority will implement the limited competition provision of ORS 279A.100 making contracting opportunities available to our best and most underutilized state resource; minority, women and emerging small businesses. You might ask, "how can state government play a role?" I am asking that you take the following three steps to support me in these efforts:

- In consultation with my Advocate and DAS, put into action existing statute (ORS 279A.100)
- Establish strong policies to support supplier diversity
- Communicate expectations to all levels of procurement staff

As a follow-up to this letter I intend to sign an Executive Order directing state agencies to execute the intent and spirit of ORS 279A.100 in their procurement practices. While I believe that statutory language is clear in permitting the state to carry out limited competition practices in procurement, it is important to have accountability built into our processes. My Executive Order will include a defined set of actions for state agencies to undertake in carrying out and reporting their utilization of minority, women and emerging small businesses in state contracting. My Advocate will be

responsible for monitoring the efforts and reporting to me on the progress of state agencies.

I have asked my Advocate to work with the Department of Administrative Services to assist state agencies with the practical terms of carrying out the statute. If you need further information please call Lydia Muñiz at 503 378-3506 or Dianne Lancaster at 503 378-3529.

Sincerely,



THEODORE R. KULONGOSKI  
Governor

TRK/lm