

**541—10.2(73GA,ch315) Procurement.** The mandatory set-aside requirements and bid preferences required by Iowa Code sections 73.16 to 73.21 are hereby suspended until April 1, 1990. The following are guidelines to be used in the interim to encourage TSB participation. All other TSB functions are to operate in accordance with the existing Code of Iowa unless otherwise instructed. Each department and agency is encouraged to include TSBs as contractors, vendors, and suppliers in bid solicitations and procurements. The department of management provides procurement guidelines as follows:

**10.2(1) Bid document statement.** After September 1, 1989, the following statement shall be inserted into every state of Iowa bid document:

It is hereby agreed that when entering into this contract with the state of Iowa, the vendor/contractor warrants that it has taken documented steps to encourage the participation of TSBs for the purpose of subcontracting and supplying of materials.

**10.2(2) Goods and supplies.** Purchasing authorities may use any or all of the following procedures to encourage TSB participation to the maximum extent possible.

*a. Targeted invitations.* The purchasing authority may:

- (1) Identify purchases that offer potential TSB participation.
- (2) Identify TSBs who can participate in the purchasing contract.
- (3) Send proposals and invitations to bid to TSBs who can participate in the purchasing contract.

*b. Negotiated contracts.* The purchasing authority shall consider TSBs in contracts that are negotiated.

*c. Business development.* The purchasing authority may:

- (1) Identify significant state purchasing commodities that are void of TSB participation.
- (2) Identify TSBs that have potential to develop in these areas.
- (3) Refer TSBs who have potential or have expressed interest in those purchase areas to the Iowa department of economic development.

*d. Targets.* The purchasing authority may:

- (1) Identify purchases which will encourage utilization of TSBs.
- (2) Establish percentage or monetary targets which will encourage utilization of TSBs.

Targets are not mandatory set-asides.

**10.2(3) Construction.** Contracting authorities may use any or all of the following procedures to encourage TSB participation to the maximum extent possible.

*a. Targets.* The purchasing authority may:

- (1) Identify projects that provide potential TSB participation.
- (2) Establish percentage or monetary targets which will encourage utilization of TSBs.

Targets are not mandatory set-asides.

*b. Good faith.* The purchasing authority may require a prime contractor to make a good faith effort to utilize TSBs.

(1) Good faith effort shall include, but not be limited to:

1. Prime contractor's efforts to locate minority- and women-owned businesses.
2. Prime contractor's efforts to make minority- and women-owned businesses aware of contracting opportunities.

3. The prime contractor's initiatives to encourage and develop TSBs, taking into account the availability of TSBs to work on state-assisted contracts.

4. Prime contractor's efforts to overcome or mitigate the effects of legal or other barriers impeding the participation of minority- and women-owned businesses in the contractor's state-assisted contract.

(2) A prime contractor shall maintain, and provide upon request, documentation as to what good faith efforts were undertaken.

*c. Subcontract document.* Prime contractor shall submit the following information, with the bid, to the contracting authority:

- (1) Name(s) of TSB subcontractor(s);
- (2) The dollar amount of the subcontract; and
- (3) Subcontract work to be performed.

*d. Business development.* The contracting authority may:

- (1) Identify significant state construction areas that are void of TSB participation.
- (2) Identify TSBs that have potential to develop in these areas.
- (3) Assist TSBs in becoming prime contractors.