

Introduced by Senator PriceFebruary 18, 2011

An act to amend Section 14838.1 of the Government Code, relating to small business.

LEGISLATIVE COUNSEL'S DIGEST

SB 734, as introduced, Price. Small business participation goals.

Existing law provides for various programs to encourage the participation of small businesses, as certified by the Department of General Services, in state agency contracts, and sets forth the duties of the Director of General Services and the directors of other state agencies in this regard.

Existing law, in order to encourage the participation of small businesses in the construction of the state's infrastructure, as provided in specified infrastructure-related bond acts of 2006, requires each state agency, as defined, to establish a 25% goal for the participation of small businesses in the construction of the state's infrastructure, as provided in those bond acts, to advertise all upcoming opportunities to bid on contracts for projects funded by those bond acts, as specified, including bidding procedures, and to provide California small businesses with information regarding available training and technical assistance for understanding and bidding on contracts for projects funded by those bond acts.

Existing law also requires each state agency that has awarded any contract financed with the proceeds of the infrastructure-related bond acts in the previous fiscal year to report to the Director of General Services on an annual basis on certain statistics regarding small business and microbusiness participation.

Existing law, the California High-Speed Rail Act, creates the High-Speed Rail Authority to develop and implement a high-speed rail system in the state, with specified powers and duties. Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed rail and related purposes.

This bill would extend the application of the above-referenced small business participation goals and reporting provisions to the High-Speed Rail Authority relative to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14838.1 of the Government Code is
2 amended to read:
3 14838.1. (a) In order to encourage the participation of small
4 businesses in the construction, alteration, demolition, repair, or
5 improvement, of the state's infrastructure, as provided in the
6 infrastructure-related bond acts of 2006 *and* 2008, each state
7 agency awarding contracts financed with the proceeds of these
8 bonds shall do all of the following:
9 (1) Establish a 25 percent small business participation goal in
10 all contracts—~~it~~ financed with the proceeds of the
11 infrastructure-related bond acts of 2006 *and* 2008.
12 (2) Advertise all upcoming opportunities to bid on contracts for
13 projects funded by the infrastructure-related bond acts of 2006 *and*
14 2008, described in subdivision (c), in the California State Contracts
15 Register and include in the advertisement an Internet link to
16 information for prospective bidders, including, but not limited to,
17 general bidding procedures and how to properly prepare a bid for
18 those contracts.
19 (3) Provide information to California small businesses regarding
20 training and technical assistance that is available to assist these
21 small businesses in understanding and bidding on contracts for
22 projects funded by the infrastructure-related bond acts of 2006 *and*
23 2008, described in subdivision (c).

1 (b) For purposes of this section, “small business” has the same
2 meaning as set forth in subdivision (d) in Section 14837.

3 (c) For purposes of this section, all of the following measures
4 are deemed to be the infrastructure-related bond acts of 2006 *and*
5 *2008*:

6 (1) The Highway Safety, Traffic Reduction, Air Quality, and
7 Port Security Bond Act of 2006 (Chapter 12.49 (commencing with
8 Section 8879.20) of Division 1 of the Government Code).

9 (2) The Housing and Emergency Shelter Trust Fund Act of 2006
10 (Part 12 (commencing with Section 53540) of Division 31 of the
11 Health and Safety Code).

12 (3) The Kindergarten-University Public Education Facilities
13 Bond Act of 2006 (Part 69 (commencing with Section 101000) of
14 the Education Code).

15 (4) The Disaster Preparedness and Flood Prevention Bond Act
16 of 2006 (Chapter 1.699 (commencing with Section 5096.800) of
17 Division 5 of the Public Resources Code).

18 (5) The Safe Drinking Water, Water Quality and Supply, Flood
19 Control, River and Coastal Protection Bond Act of 2006 (Division
20 43 (commencing with Section 75001) of the Public Resources
21 Code).

22 (6) *The Safe, Reliable High-Speed Passenger Train Bond Act*
23 *for the 21st Century (Chapter 20 (commencing with Section 2704)*
24 *of Division 3 of the Streets and Highways Code).*

25 (d) For the purposes of this section, “state agency” includes
26 each agency provided for in Section 12800 and each state entity
27 included in Section 10335.7 of the Public Contract Code in which
28 the head of the agency is appointed by the Governor. *For the*
29 *purposes of this section, “state agency” also includes the*
30 *High-Speed Rail Authority created pursuant to Section 185020 of*
31 *the Public Utilities Code.*

32 (e) This section does not require the expenditure of the proceeds
33 of the sale of the bonds described in this section, except as
34 permitted by the measure authorizing the issuance of the bond.

35 (f) On or before August 1, 2009, and annually thereafter, each
36 state agency that has awarded any contract financed with the
37 proceeds of the infrastructure-related bond acts of 2006 in the
38 previous fiscal year shall report to the Director of General Services
39 statistics comparing the small business and microbusiness
40 participation dollars for contracts funded by these bonds to the

1 total contract dollars for contracts funded by these bonds. *The*
2 *High-Speed Rail Authority shall report, pursuant to this section,*
3 *on or before August 1, 2012, and annually thereafter, with respect*
4 *to the bond act described in paragraph (6) of subdivision (c).* If
5 an agency did not meet its participation goal, then the agency shall
6 include in its report a plan of action to meet its participation goal
7 during the current fiscal year.

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