

**Introduced by Senator Hueso**February 20, 2014

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An act to amend Sections 14838.5, 14838.64, and 14838.7 of the Government Code, relating to contracts.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1192, as introduced, Hueso. Public contracts: small business, microbusiness, and disabled veteran business enterprise.

Existing law authorizes a state agency and the California State University to award a contract for the acquisition of goods, services, or information technology that has an estimated value of greater than \$5,000, but less than \$250,000, to a certified small business, including a microbusiness, or to a disabled veteran business enterprise if they obtain 2 or more price quotations, as specified.

Existing law authorizes a state agency to award a contract for construction, including the erection, construction, alteration, repair, or improvement of any state structure, building, road, or other state improvement of any kind that has an estimated value of greater than \$5,000 but less than a specified cost limit to a certified small business, including a microbusiness, or to a disabled veteran business enterprise if they obtain 2 or more written bid submittals, as specified.

This bill would provide that those estimated values do not include taxes, fees, and transportation charges.

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

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

1 SECTION 1. Section 14838.5 of the Government Code is  
2 amended to read:

3 14838.5. (a) (1) Notwithstanding the advertising, bidding,  
4 and protest provisions of Chapter 6 (commencing with Section  
5 14825) of this part and Chapter 2 (commencing with Section  
6 10290) and Chapter 3 (commencing with Section 12100) of Part  
7 2 of Division 2 of the Public Contract Code, a state agency may  
8 award a contract for the acquisition of goods, services, or  
9 information technology that has an estimated value of greater than  
10 five thousand dollars (\$5,000), but less than two hundred fifty  
11 thousand dollars (\$250,000), to a certified small business, including  
12 a microbusiness, or to a disabled veteran business enterprise, as  
13 long as the agency obtains price quotations from two or more  
14 certified small businesses, including microbusinesses, or from two  
15 or more disabled veterans business enterprises.

16 (2) *The estimated value described in paragraph (1) shall not*  
17 *include taxes, fees, and transportation charges.*

18 (b) In carrying out subdivision (a), a state agency shall consider  
19 a responsive offer timely received from a responsible certified  
20 small business, including a microbusiness, or from a disabled  
21 veteran business enterprise.

22 (c) If the estimated cost to the state is less than five thousand  
23 dollars (\$5,000) for the acquisition of goods, services, or  
24 information technology, or a greater amount as administratively  
25 established by the director, a state agency shall obtain at least two  
26 price quotations from responsible suppliers whenever there is  
27 reason to believe a response from a single source is not a fair and  
28 reasonable price.

29 SEC. 2. Section 14838.64 of the Government Code is amended  
30 to read:

31 14838.64. (a) (1) Notwithstanding any other law, including,  
32 but not limited to, the advertising, bidding, and protest provisions  
33 of Chapter 6 (commencing with Section 14825) of this part and  
34 Chapter 2.5 (commencing with Section 10700) and Chapter 3  
35 (commencing with Section 12100) of Part 2 of Division 2 of the  
36 Public Contract Code, the California State University may award  
37 a contract for the acquisition of goods, services, or information  
38 technology that has an estimated value of greater than five thousand

1 dollars (\$5,000), but less than two hundred fifty thousand dollars  
2 (\$250,000), to a certified small business, including a microbusiness,  
3 or to a disabled veteran business enterprise, if the California State  
4 University obtains price quotations from two or more certified  
5 small businesses, including microbusinesses, or from two or more  
6 disabled veteran business enterprises.

7 *(2) The estimated value described in paragraph (1) shall not*  
8 *include taxes, fees, and transportation charges.*

9 (b) In carrying out subdivision (a), the California State  
10 University shall consider a responsive offer timely received from  
11 a responsible certified small business, including a microbusiness,  
12 or from a disabled veteran business enterprise.

13 SEC. 3. Section 14838.7 of the Government Code is amended  
14 to read:

15 14838.7. (a) (1) Notwithstanding the advertising and bidding  
16 provisions of Chapter 6 (commencing with Section 14825) of this  
17 code and Chapter 1 (commencing with Section 10100) of Part 2  
18 of Division 2 of the Public Contract Code, a state agency may  
19 award a contract for construction, including the erection,  
20 construction, alteration, repair, or improvement of any state  
21 structure, building, road, or other state improvement of any kind  
22 that has an estimated value of greater than five thousand dollars  
23 (\$5,000) but less than the cost limit, as specified in subdivision  
24 (b) of Section 10105 of the Public Contract Code, to a certified  
25 small business, including a microbusiness, or to a disabled veteran  
26 business enterprise, as long as the agency obtains written bid  
27 submittals from two or more certified small businesses, including  
28 microbusinesses, or from two or more disabled veteran business  
29 enterprises.

30 *(2) The estimated value described in paragraph (1) shall not*  
31 *include taxes, fees, and transportation charges.*

32 (b) In implementing subdivision (a), state agencies shall consider  
33 a responsive offer timely received from a responsible certified  
34 small business, including a microbusiness, or from a disabled  
35 veteran business enterprise.

36 (c) If the estimated cost to the state is less than five thousand  
37 dollars (\$5,000) for the public work construction project, a state  
38 agency shall obtain at least two written bid submittals from

- 1 responsible contractors whenever there is reason to believe a
- 2 response from a single source is not a fair and reasonable price.

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