

ASSEMBLY BILL

No. 351

Introduced by Assembly Member Jones-Sawyer

February 17, 2015

An act to add Section 14838.8 to the Government Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 351, as introduced, Jones-Sawyer. Public contracts: small business participation.

The Small Business Procurement and Contract Act requires the Director of General Services and the heads of other state agencies that enter into contracts for the provision of goods, services, and information technology and for the construction of state facilities to establish goals for the participation of small businesses in these contracts, to provide for small business preference in the award of these contracts, to give special consideration and special assistance to small businesses, and, whenever possible, to make awards to small businesses, as specified.

This bill would require all state agencies, departments, boards, and commissions to establish and achieve an annual goal of 25% small business participation in state procurements and contracts, to ensure that the state's procurement and contract processes are administered in order to meet or exceed the goal, and to report to the director statistics regarding small business participation in the agency's procurements and contracts.

The bill would require the Department of General Services to monitor the progress of the agencies toward meeting the goal and to provide this information to the Office of Small Business Advocate.

The bill would also require a state agency, department, board, or commission that has not achieved the goal by the close of the fiscal year to submit a corrective action plan to the department within 45 days. The bill would require the department, in collaboration with the Office of Small Business Advocate, to undertake reasonable means to assist agencies in improving small business participation in their contracting.

The bill would require all state agencies, departments, boards, and commissions to use a contracting procedure established in the act for specified contracts with small businesses whenever possible.

The bill would also require the Office of Small Business Advocate to collaborate with the department to cooperatively enhance the state’s small business program by helping small businesses access capital and other financial resources necessary to successfully fulfill state contracts.

The bill would apply to all state public entities that receive state public funding, including the California State University, the University of California, and the California Community Colleges. In calculating the total amount of contracting covered by this bill, the California State University, the University of California, and the California Community Colleges would only be required to meet the 25% goal for state funding used in contracting.

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 14838.8 is added to the Government
- 2 Code, to read:
- 3 14838.8. (a) In order to encourage small business participation
- 4 in state contracts, all state agencies, departments, boards, and
- 5 commissions shall establish and achieve an annual goal of 25
- 6 percent small business participation in state procurements and
- 7 contracts.
- 8 (b) Notwithstanding any other provision of this chapter, the
- 9 heads of all state agencies, departments, boards, and commissions
- 10 shall ensure that the state’s procurement and contract processes
- 11 are administered in order to meet or exceed the 25 percent small
- 12 business participation goal, and shall report to the director statistics
- 13 regarding small business annual participation in his or her agency’s
- 14 procurements and contracts.

1 (c) The Department of General Services shall monitor the
2 progress of all state agencies, departments, boards, and
3 commissions toward meeting the 25 percent small business
4 participation goal. The department shall regularly share information
5 with the Office of Small Business Advocate on the progress of
6 each individual agency, department, board, and commission in
7 meeting the annual goal, including, but not limited to, providing
8 copies of corrective action plans.

9 (d) (1) A state agency, department, board, or commission that
10 has not achieved the 25 percent small business participation goal
11 by the close of the fiscal year shall submit a corrective action plan
12 to the Department of General Services within 45 days.

13 (2) The Department of General Services, in collaboration with
14 the Office of Small Business Advocate, shall undertake reasonable
15 means to assist agencies in improving small business participation
16 in their contracting, including entering into memoranda of
17 understanding with the agencies that have not met the goal to
18 improve performance.

19 (e) All state agencies, departments, boards, and commissions
20 shall use the contracting procedure authorized in Section 14838.5
21 to contract with small businesses for goods and services contracts
22 under one hundred thousand dollars (\$100,000) and construction
23 contracts under one hundred twenty thousand dollars (\$120,000)
24 whenever possible.

25 (f) The Department of General Services shall actively promote
26 small business certification, help small businesses market their
27 products, goods, and services to the state, and promote the use of
28 technologies and other innovative solutions for notifying small
29 businesses of state contracting opportunities, including, but not
30 limited to, the Subscription Outreach Service of the California
31 State Contracts Register.

32 (g) The Department of General Services shall collaborate with
33 the Office of the Small Business Advocate in the office's work to
34 assist small businesses access capital and other financial resources
35 necessary to successfully fulfill state contracts.

36 (h) This section applies to all state agencies, departments,
37 boards, commissions, and other state public entities that receive
38 state funding including the University of California, the California
39 State University, and the California Community Colleges. In
40 calculating the total amount of contracting covered by this section,

- 1 the University of California, the California State University, and
- 2 the California Community Colleges shall only be required to meet
- 3 the 25 percent goal for state funding used in contracting.

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