

**ASSEMBLY BILL**

**No. 1445**

---

---

**Introduced by Assembly Member Brown**

February 27, 2015

---

---

An act to amend Section 14838.5 of the Government Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1445, as introduced, Brown. Public contracts: small business contracts.

The Small Business Procurement and Contract Act permits a state agency to award a contract for goods, services, or information technology with a value of between \$5,000 and \$250,000 to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, without complying with specified competitive bidding requirements.

This bill would increase the upper limit of the value of those contracts to \$500,000.

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 14838.5 of the Government Code is  
2 amended to read:  
3 14838.5. (a) Notwithstanding the advertising, bidding, and  
4 protest provisions of Chapter 6 (commencing with Section 14825)  
5 of this part and Chapter 2 (commencing with Section 10290) and  
6 Chapter 3 (commencing with Section 12100) of Part 2 of Division

1 2 of the Public Contract Code, a state agency may award a contract  
2 for the acquisition of goods, services, or information technology  
3 that has an estimated value of greater than five thousand dollars  
4 (\$5,000), but less than ~~two hundred fifty~~ *five hundred* thousand  
5 dollars ~~(\$250,000)~~, *(\$500,000)*, to a certified small business,  
6 including a microbusiness, or to a disabled veteran business  
7 enterprise, as long as the agency obtains price quotations from two  
8 or more certified small businesses, including microbusinesses, or  
9 from two or more disabled veterans business enterprises.

10 (b) In carrying out subdivision (a), a state agency shall consider  
11 a responsive offer timely received from a responsible certified  
12 small business, including a microbusiness, or from a disabled  
13 veteran business enterprise.

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