

AMENDED IN SENATE JUNE 23, 2016

AMENDED IN SENATE JUNE 21, 2016

AMENDED IN ASSEMBLY MAY 27, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2358**

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**Introduced by Assembly Members Bigelow and Wood**

February 18, 2016

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

LEGISLATIVE COUNSEL'S DIGEST

AB 2358, as amended, Bigelow. 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 an estimated 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 from \$250,000 to \$300,000.*

~~This bill would increase the upper limit of the value of those contracts for a disabled veteran business enterprise 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  
7 2 of the Public Contract Code, a state agency may award a contract  
8 for the acquisition of goods, services, or information technology  
9 that has an estimated value of greater than five thousand dollars  
10 (\$5,000), but less than ~~two hundred fifty thousand dollars~~  
11 ~~(\$250,000)~~, *three hundred thousand dollars (\$300,000)*, to a  
12 certified small business, including a microbusiness, or to a disabled  
13 veteran business enterprise, as long as the agency obtains price  
14 quotations from two or more certified small businesses, including  
15 microbusinesses, or from two or more disabled veterans business  
16 enterprises.

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

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

28 ~~SECTION 1. Section 14838.5 of the Government Code is~~  
29 ~~amended to read:~~

30 ~~14838.5. (a) Notwithstanding the advertising, bidding, and~~  
31 ~~protest provisions of Chapter 6 (commencing with Section 14825)~~  
32 ~~of this part and Chapter 2 (commencing with Section 10290) and~~  
33 ~~Chapter 3 (commencing with Section 12100) of Part 2 of Division~~  
34 ~~2 of the Public Contract Code, a state agency may award a contract~~  
35 ~~for the acquisition of goods, services, or information technology~~  
36 ~~as follows:~~

37 ~~(1) A contract that has an estimated value of greater than five~~  
38 ~~thousand dollars (\$5,000), but less than two hundred fifty thousand~~

1 dollars (\$250,000), may be awarded to a certified small business,  
2 including a microbusiness, if the agency obtains price quotations  
3 from two or more certified small businesses, including  
4 microbusinesses.

5 (2) A contract that has an estimated value of greater than five  
6 thousand dollars (\$5,000), but less than five hundred thousand  
7 dollars (\$500,000), may be awarded to a disabled veteran business  
8 enterprise, if the agency obtains price quotations from two or more  
9 disabled veteran 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.