
Introduced by Senator Speier

February 25, 1999

An act to add Section 10108.6 to the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 794, as introduced, Speier. State agencies: contract provisions.

The State Contract Act generally governs contracting between state agencies and private contractors.

This bill would require a state agency that enters into a contract with a value of over \$100,000 that provides for a rebate, pays a penalty in connection with a contract for goods or services, or uses operating budget funds to pay a legal settlement or judgment in excess of \$10,000, to provide specified information in a report to be filed with the Department of Finance and the budget committee of each house of the Legislature.

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 10108.6 is added to the Public
- 2 Contract Code, to read:
- 3 10108.6. (a) A state agency that enters into a contract
- 4 that provides a rebate to the agency shall file a report with
- 5 the Department of Finance and the budget committee of
- 6 each house of the Legislature. The report shall be filed

1 within 30 days of the contract's effective date. The report
2 shall state the condition under which the agency will be
3 entitled to the rebate and the estimated value of the
4 rebate. This subdivision does not apply to a contract or
5 series of related contracts with a value of one hundred
6 thousand dollars (\$100,000) or less.

7 (b) Each agency that files a report pursuant to
8 subdivision (a) shall inform the Department of Finance
9 and the budget committee of each house of the
10 Legislature of any contract with a rebate provision that
11 was completed without a rebate being issued to the state.
12 The report, which shall be filed within 30 days of contract
13 completion, shall contain an explanation of why no rebate
14 was issued.

15 (c) A state agency that pays a penalty in connection
16 with a contract for goods or services shall report the
17 amount of the penalty and the reason it was assessed to
18 the Department of Finance and the budget committee of
19 each house of the Legislature. The report shall be filed
20 within 10 business days after the agency becomes aware
21 of the penalty.

22 (d) A state agency that uses operating budget funds to
23 pay a legal settlement or judgment in excess of ten
24 thousand dollars (\$10,000) shall report the payment to the
25 Department of Finance and the budget committee of
26 each house of the Legislature. The report shall be filed at
27 least 10 business days prior to payment of the settlement
28 or judgment.

