

AMENDED IN ASSEMBLY APRIL 26, 2000

AMENDED IN SENATE JANUARY 3, 2000

**SENATE BILL**

**No. 1049**

**Introduced by Senator Murray**

February 26, 1999

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~~An act to add Chapter 7 (commencing with Section 16860) to Part 3 of Division 4 of Title 2 of the Government Code, and to add Section 20103 to, and to add Article 1.6 (commencing with Section 10116) to Chapter 1 of Part 2 of Division 2 of, the Public Contract Code; An act to amend Section 14838.5 of the Government Code, relating to public contracts.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1049, as amended, Murray. State contracts: ~~participation goals~~ *small businesses.*

*Existing law authorizes a state agency to award a contract for the acquisition of goods, services, or information technology that has an estimated value of greater than \$2,500, but less than \$50,000, to a small business, as long as the agency obtains price quotations from 2 or more small businesses.*

*This bill instead would authorize the award of the contract to a small business under these provisions if the contract has an estimated value of greater than \$2,500, but less than \$100,000.*

~~(1) Existing law requires any awarding department taking bids in connection with the award of a contract for professional bond services to provide, in the general conditions under which bids will be received, that any person~~

~~making a bid or offer shall set forth information regarding subcontracts that would be utilized to meet participation goals by various enterprises.~~

~~The State Contract Act also requires a state agency to award a contract to the lowest responsible bidder who either meets, or makes a good faith effort to comply with, participation goals for designated business enterprises.~~

~~Under existing law, fraudulent conduct in connection with these procedures is punishable as a misdemeanor.~~

~~This bill, in addition, would provide for participation programs to increase the amounts expended by awarding departments with respect to contracts with small business enterprises with respect to professional bond services and state contracts, generally. “Small business enterprise” would be defined as having the same meaning as “small business concern” under specified federal law. By creating a new crime, the bill would impose a state-mandated local program.~~

~~(2) The Local Agency Public Construction Act generally sets forth the authority and duties of local agencies in awarding contracts on public works.~~

~~This bill would additionally authorize a local agency to establish incentive programs to encourage participation in the contracting process by small business enterprises.~~

~~(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

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

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

- 1 ~~SECTION 1. Chapter 7 (commencing with Section~~
- 2 ~~SECTION 1. Section 14838.5 of the Government~~
- 3 ~~Code is amended to read:~~
- 4 ~~14838.5. (a) Notwithstanding the advertising and~~
- 5 ~~bidding requirements of Chapter 6 (commencing with~~
- 6 ~~Section 14825) of this code and Section 10302 of the Public~~



1 Contract Code, a state agency may award a contract for  
2 the acquisition of goods, services, or information  
3 technology that has an estimated value of greater than  
4 two thousand five hundred dollars (\$2,500), but less than  
5 ~~fifty one hundred~~ thousand dollars ~~(~~\$50,000~~)~~ (~~\$100,000~~),  
6 to a small business, as long as the agency obtains price  
7 quotations from two or more small businesses.

8 (b) In carrying out subdivision (a), state agencies shall  
9 consider a responsive offer timely received from a  
10 responsible small business.

11 (c) If the estimated cost to the state is less than two  
12 thousand five hundred dollars (\$2,500) and for the  
13 acquisition of goods, services, or information technology,  
14 or a greater amount as administratively established by the  
15 director, a state agency shall obtain at least two price  
16 quotations from responsible suppliers whenever there is  
17 reason to believe a response from a single source is not a  
18 fair and reasonable price.

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21 **All matter omitted in this version of the**  
22 **bill appears in the bill as amended in the**  
23 **Senate January 3, 2000 (JR 11)**  
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