

AMENDED IN ASSEMBLY JUNE 14, 2010

AMENDED IN ASSEMBLY JUNE 7, 2010

**SENATE BILL**

**No. 1484**

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**Introduced by ~~Committee on Governmental Organization~~ (Senators Wright (Chair), Calderon, Denham, Florez, Harman, Negrete McLeod, Oropeza, Padilla, Price, Wyland, and Yee) Senator Wright**

March 8, 2010

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

LEGISLATIVE COUNSEL'S DIGEST

SB 1484, as amended, ~~Committee on Governmental Organization~~ Wright. Public contracts: procurement: small business, microbusiness, and disabled veteran business enterprise enterprises.

The Small Business Procurement and Contract Act requires the directors of the Department of General Services and other state agencies entering into contracts for the provision of goods, information technology, and services to the state, and in the construction of state facilities, to provide for a preference, as specified, for any bid to small businesses and microbusinesses, under specified circumstances. The act permits a state agency to award a contract of a specified limited amount for the acquisition of goods, services, or information technology, to a certified small business, including a microbusiness, or to a disabled veteran business enterprise if the agency receives certain other price quotations, as specified.

This bill would prohibit the Director of General Services and the directors of other state departments or offices that enter into contracts from engaging in the bundling of contracts, as defined, which has the

effect of restricting or excluding small business, microbusiness, or disabled veteran business enterprise, from the state contracting process. The bill would also provide that the participation goals for small business, microbusiness, or disabled veteran business enterprise participation for the act are not met by awarding a contract for goods to a prime contractor that engages a small business, microbusiness, or disabled veteran business enterprise as a subcontractor on that contract.

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) Notwithstanding any other law, ~~in order~~ to  
4 facilitate the participation of small businesses, microbusinesses,  
5 or disabled veteran business enterprises in the provision of goods  
6 to the state, the Director of General Services and the directors of  
7 other state departments or agencies that enter into contracts within  
8 their respective areas of responsibility shall not engage in bundling  
9 of contracts, which has the effect of restricting or excluding small  
10 businesses, microbusinesses, or disabled veteran business  
11 enterprises, from the state contracting process.  
12 (b) As used in this section, “bundling of contracts” means a use  
13 of solicitation for a single contract or a multiple award contract to  
14 satisfy two or more requirements of any state agency, department,  
15 board, or commission for goods that restricts competition or limits  
16 the number of suppliers by being likely unsuitable for award to a  
17 small business due to any one or more of the following:  
18 (1) The diversity, size, or specialized nature of the elements of  
19 the performance specified.  
20 (2) The aggregate dollar value of the anticipated award.  
21 (3) The geographical dispersion of the contract performance  
22 sites.  
23 (4) Restrictive contract requirements or any other similar  
24 procurement strategy or factor that limits the ability of a responsible  
25 small business to compete or otherwise participate as a prime  
26 contractor in the procurement process.

1 (c) The director or any agency, department, board, or  
2 commission does not facilitate or provide for small business,  
3 microbusiness, or disabled veteran business enterprise participation  
4 within the meaning of this chapter by awarding a contract for goods  
5 to a prime contractor that engages a small business, microbusiness,  
6 or disabled veteran business enterprise as a subcontractor on that  
7 contract.

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