

ASSEMBLY BILL

No. 150

Introduced by Assembly Member Perea

January 18, 2011

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

LEGISLATIVE COUNSEL'S DIGEST

AB 150, as introduced, Perea. Public contracts: small business participation.

Existing law, the Small Business Procurement and Contract Act, requires the Director of General Services and the heads of other state agencies that enter into contracts for the provision of goods, services, and information technology and for the construction of state facilities to establish goals for the participation of small businesses in these contracts, to provide for small business preference in the award of these contracts, to give special consideration and special assistance to small businesses, and, whenever possible, to make awards to small businesses, as specified.

This bill would, on and after July 1, 2012, authorize the Department of General Services to direct all state agencies, departments, boards, and commissions to establish the goal to achieve 25% small business participation in state procurements and contracts. The bill also would require the heads of those state agencies, departments, boards, and commissions to implement and administer the state's procurement and contract processes in order to meet or exceed the goal, and to report to the Director of General Services statistics regarding small business participation in those agencies' procurements and contracts.

The bill would authorize the Department of General Services to establish policies and procedures to monitor the progress of the agencies toward meeting the goal of 25% small business participation and to provide this information to the Office of Small Business Advocate.

The bill would also authorize the Department of General Services to require a state agency, department, board, or commission that has not achieved its fiscal year goal to submit an implementation and corrective action plan, and to submit such a plan every year thereafter, as long as that agency fails to meet or exceed the goal. The bill would also authorize the department to establish criteria for such a plan, as specified. The bill would authorize the department to undertake reasonable means to assist agencies in improving small business participation in those agencies' contracting.

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. In order to encourage small business participation in
- 4 state contracts, the Department of General Services may direct all
- 5 state agencies, departments, boards, and commissions to establish
- 6 the goal to achieve 25 percent small business participation in state
- 7 procurements and contracts. If the department gives this direction,
- 8 all of the following apply:
- 9 (a) Notwithstanding any other provision of this chapter, the
- 10 heads of all state agencies, departments, boards, and commissions
- 11 shall implement procurement and contract processes in order to
- 12 meet the goal of 25 percent small business participation, and shall
- 13 report to the Director of General Services statistics regarding the
- 14 annual participation of small businesses in the agency's
- 15 procurements and contracts.
- 16 (b) The Department of General Services may establish policies
- 17 and procedures to monitor the progress of all state agencies,
- 18 departments, boards, and commissions toward meeting the goal
- 19 of 25 percent small business participation. The department may
- 20 regularly share information with the Office of Small Business
- 21 Advocate on the progress of each individual agency, department,

board, and commission in meeting the annual goal, including, but not limited to, providing copies of corrective action plans.

(c) (1) The Department of General Services may require a state agency, department, board, or commission that has not achieved its fiscal year goal of 25 percent small business participation to submit an implementation and corrective action plan, and to submit such a plan annually thereafter, as long as that agency fails to meet or exceed the goal. The department may establish criteria for such a plan and publish those criteria in the State Administrative Manual.

(2) The Department of General Services may undertake reasonable means to assist agencies in improving small business participation in their contracting, including entering into memoranda of understanding with the agencies that have not met the goal.

(d) The Department of General Services shall establish in the State Administrative Manual and the State Contracting Manual policies for all state agencies, departments, boards, and commissions to use the contracting procedure authorized in Section 14838 to contract with small businesses.

(e) The Department of General Services shall actively promote small business certification.

(f) This section shall become operative on July 1, 2012.