

AMENDED IN ASSEMBLY APRIL 4, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

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 amended, Perea. Public contracts: small business *and disabled veteran business enterprise* 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 *not less than 25%* small business participation *and not less than 3% disabled veteran business enterprise 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~~ *goals*, and to report to the Director of General Services statistics

regarding small business *and disabled veteran business enterprise* 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 *not less than 25%* small business participation *and not less than 3% disabled veteran business enterprise 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~~ *goals* 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~~ *goals*. 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 *and disabled veteran business enterprise* 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 *and disabled*
4 *veteran business enterprise* participation in state contracts, the
5 Department of General Services may direct all state agencies,
6 departments, boards, and commissions to establish the goal to
7 achieve *not less than 25* percent small business participation *and*
8 *not less than 3 percent disabled veteran business enterprise*
9 *participation* in state procurements and contracts. If the department
10 gives this direction, all of the following apply:
11 (a) Notwithstanding any other provision of this chapter, the
12 heads of all state agencies, departments, boards, and commissions
13 shall implement procurement and contract processes in order to
14 meet the goal of *not less than 25* percent small business
15 participation *and not less than 3 percent disabled veteran business*
16 *enterprise participation*, and shall report to the Director of General
17 Services statistics regarding the annual participation of small

1 businesses *and disabled veteran business enterprises* in the
2 agency's procurements and contracts.

3 (b) The Department of General Services may establish policies
4 and procedures to monitor the progress of all state agencies,
5 departments, boards, and commissions toward meeting the goal
6 of *not less than 25 percent small business participation and not*
7 *less than 3 percent disabled veteran business enterprise*
8 *participation*. The department may regularly share information
9 with the Office of Small Business Advocate on the progress of
10 each individual agency, department, board, and commission in
11 meeting the annual goal, including, but not limited to, providing
12 copies of corrective action plans.

13 (c) (1) The Department of General Services may require a state
14 agency, department, board, or commission that has not achieved
15 its fiscal year goal of *not less than 25 percent small business*
16 *participation or not less than 3 percent disabled veteran business*
17 *enterprise participation* to submit an implementation and corrective
18 action plan, and to submit such a plan annually thereafter, as long
19 as that agency fails to meet or exceed the goal. The department
20 may establish criteria for such a plan and publish those criteria in
21 the State Administrative Manual.

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

27 (d) The Department of General Services shall establish in the
28 State Administrative Manual and the State Contracting Manual
29 policies for all state agencies, departments, boards, and
30 commissions to use the contracting procedure authorized in Section
31 14838 to contract with small businesses *and disabled veteran*
32 *business enterprises*.

33 (e) The Department of General Services shall actively promote
34 small business *and disabled veteran business enterprise*
35 certification.

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

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