

Assembly Bill No. 761

CHAPTER 611

An act to add Section 14838.1 to the Government Code, relating to state contracts.

[Approved by Governor October 13, 2007.

Filed with Secretary of State October 13, 2007.]

AB 761, Coto. State contracts: infrastructure bonds: small businesses.

Existing law provides for various programs to encourage the participation of small businesses, as certified by the Department of General Services, in state agency contracts, and sets forth the duties of the Director of General Services and the directors of other state agencies in this regard.

This bill, in order to encourage the participation of small businesses in the construction of the state's infrastructure, as provided in specified infrastructure-related bond acts of 2006, would additionally require each state agency, as defined, to establish a 25% goal for the participation of small businesses in the construction of the state's infrastructure, as provided in those bond acts, to advertise all upcoming opportunities to bid on contracts for projects funded by those bond acts, as specified, including bidding procedures, and to provide California small businesses with information regarding available training and technical assistance for understanding and bidding on contracts for projects funded by those bond acts.

This bill would also require each state agency, on or before August 1, 2009, and annually thereafter, that has awarded any contract financed with the proceeds of the infrastructure-related bond acts in the previous fiscal year to report to the Director of General Services on certain statistics regarding small business and microbusiness participation.

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

SECTION 1. Section 14838.1 is added to the Government Code, to read: 14838.1. (a) In order to encourage the participation of small businesses in the construction, alteration, demolition, repair, or improvement, of the state's infrastructure, as provided in the infrastructure-related bond acts of 2006, each state agency awarding contracts financed with the proceeds of these bonds shall do all of the following:

(1) **Establish a 25 percent small business participation goal in all contracts it financed with the proceeds of the infrastructure-related bond acts of 2006.**

(2) Advertise all upcoming opportunities to bid on contracts for projects funded by the infrastructure-related bond acts of 2006, described in 91 subdivision (c), in the California State Contracts Register and include in the advertisement an Internet link

to information for prospective bidders, including, but not limited to, general bidding procedures and how to properly prepare a bid for those contracts.

(3) Provide information to California small businesses regarding training and technical assistance that is available to assist these small businesses in understanding and bidding on contracts for projects funded by the infrastructure-related bond acts of 2006, described in subdivision (c).

(b) For purposes of this section, “small business” has the same meaning as set forth in subdivision (d) in Section 14837.

(c) For purposes of this section, all of the following measures are deemed to be the infrastructure-related bond acts of 2006:

(1) The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Chapter 12.49 (commencing with Section 8879.20) of Division 1 of the Government Code).

(2) The Housing and Emergency Shelter Trust Fund Act of 2006 (Part 12 (commencing with Section 53540) of Division 31 of the Health and Safety Code).

(3) The Kindergarten-University Public Education Facilities Bond Act of 2006 (Part 69 (commencing with Section 101000) of the Education Code).

(4) The Disaster Preparedness and Flood Prevention Bond Act of 2006 (Chapter 1.699 (commencing with Section 5096.800) of Division 5 of the Public Resources Code).

(5) The Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Division 43 (commencing with Section 75001) of the Public Resources Code).

(d) For the purposes of this section, “state agency” includes each agency provided for in Section 12800 and each state entity included in Section 10335.7 of the Public Contract Code in which the head of the agency is appointed by the Governor.

(e) This section does not require the expenditure of the proceeds of the sale of the bonds described in this section, except as permitted by the measure authorizing the issuance of the bond.

(f) On or before August 1, 2009, and annually thereafter, each state agency that has awarded any contract financed with the proceeds of the infrastructure-related bond acts of 2006 in the previous fiscal year shall report to the Director of General Services statistics comparing the small business and microbusiness participation dollars for contracts funded by these bonds to the total contract dollars for contracts funded by these bonds. If an agency did not meet its participation goal, then the agency shall include in its report a plan of action to meet its participation goal during the current fiscal year.