

DGS PD Legislative Summary 2013 Session

I. Chaptered Bills

AB 173 (Weber): Postsecondary education: Small Business Procurement and Contract Act.

Summary: Existing law, the Small Business Procurement and Contract Act, permits a state agency to award a contract for goods, services, or information technology with a value of between \$5,000 and \$250,000 to a certified small business, including a microbusiness and a disabled veteran business enterprise, without complying with specified competitive bidding requirements. This bill would, notwithstanding those provisions, authorize the California State University and, subject to a specified provision, a community college district to award a contract for goods, services, or information technology with a value of between \$5,000 and \$250,000 to a certified small business, including a microbusiness and a disabled veteran business enterprise, without complying with specified competitive bidding requirements.

AB 906 (Pan): Personal services contracts.

Summary: The State Civil Service Act authorizes state agencies to use personal services contracts if prescribed conditions are met. The act, with regard to personal services contracts permissible to achieve cost savings when certain conditions are met, requires the agency to notify the State Personnel Board of its intention to enter into such a contract and requires the board to contact all organizations that represent state employees who perform the type of work to be contracted. The act also makes personal services contracts permissible under other specified conditions, without regard to cost savings. The act requires the board, at the request of an employee organization that represents state employees, to review the adequacy of a proposed or executed personal services contract, as specified.

This bill would amend the act to prohibit the execution of those proposed personal services contracts permissible under specified conditions, without regard to cost savings, until the state agency proposing to execute the contract has notified all organizations that represent state employees who perform the type of work to be contracted. The bill would require the Department of General Services to establish a process to certify that notification.

SB 96 (Committee on Budget and Fiscal Review): Budget Act of 2013: public resources.

Summary: This bill exempts the Department of Forestry and Fire Protection from requirements to submit information to: (1) General Services on late payment penalties; and (2) to the Department of Resources Recycling and Recovery regarding recycled

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product purchases. This bill sets requirements for how the Energy Commission awards monies under the Electric Program Investment Charge program and requires Joint Legislative Budget Committee to review certain types of awards. This bill extends the sunset date of the Department of Parks and Recreation's authority to perform capital outlay projects to January 1, 2019. This bill prohibits the Public Utilities Commission from contracting with private entities for which a Public Utilities Commission commissioner serves as an owner, director, or officer, and declares that such contracts are void. (Urgency clause—September 26, 2013.)

II. Vetoed Bills

AB 199 (Holden): Institutional purchasers: sale of California produce.

Summary: Under existing law, price, fitness, and quality being equal, any body, officer, or other person charged with the purchase, or permitted or authorized to purchase supplies for the use of the state, or of any of its institutions or offices, or for the use of any county or city, is required to always prefer supplies, defined to include produce, that are grown, manufactured, or produced in the state, and is required to next prefer supplies partially manufactured, grown, or produced in the state.

This bill would, until January 1, 2017, remove supplies grown or partially grown in the state from this requirement, and produce from the definition of supplies. The bill, the Choose California Act, would until January 1, 2017, require all California state-owned or state-run institutions, except public universities, public schools, and school districts, to purchase agricultural products grown in California to the extent possible from a California company before those that are grown outside of the state, as specified. The bill would, until January 1, 2017, encourage all public universities, public schools, and school districts in California to purchase agricultural products grown in California to the greatest extent possible.

SB 399 (Wright): California Prompt Payment Act.

Summary: The California Prompt Payment Act subjects a state agency that acquires property or services pursuant to a contract with a business to a late penalty payment, if it fails to make payment to the person or business on the date required by the contract. Existing law provides that the penalty payable to a certified small business, a nonprofit organization, a nonprofit public benefit corporation, or a small business or nonprofit organization that provides services or equipment under the Medi-Cal program is 10 percent above the United States Prime Rate on June 30 of the prior fiscal year. The State Contract Act prescribes the procedures and requirements applicable to various state agency contracts, and exempts from these procedures and requirements specified contracts for required emergency work or remedial measures related to the accidental or unplanned release of toxic substances.

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This bill would specify that contracts for emergency work or remedial measures are subject to the California Prompt Payment Act, and would include a contractor performing emergency work or remedial measures related to the accidental or unplanned release of toxic substances within the list of entities entitled to the late payment penalty of 10 percent above the United States Prime Rate.