

# DEPARTMENT OF GENERAL SERVICES PROCUREMENT DIVISION

DGS Proposes to Amend California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 8, Sections 1896 -1896.22

# SUMMARY

This communicates the proposed rulemaking for the Small Business (SB) regulations. The revise incorporates chaptered legislation from 2005 - 2012. In addition, the revise will eliminate obsolete terms and promote compatibility to the Disabled Veteran Business Enterprise regulations, where applicable.

# CHAPTERED LEGISLATION

2005 through 2012

- ✓ Chapter 185, Statutes of 2005 (AB 348)
- ✓ Chapter 342, Statutes of 2010 (AB 177)
- ✓ Chapter 383, Statutes of 2010 (AB 2249)
- ✓ Chapter 421, Statutes of 2012 (SB 1510)

# AB 348

- Development of a core statewide certification application that may be adopted by all participating entities.

## AB 177

- Increases penalties for program abuse from \$5000 to \$10,000 - \$30,000 for the first violation. For subsequent violations \$30,000 - \$50,000.
- Authorizes revocation of Small Business and Disabled Veteran Business Enterprise certifications for firms suspended from doing business with the State of California.

## AB 177 cont'd

- Increase certification revocation from 1 – 3 years to 5 – 10 years.
- Increases suspension periods for program violations from 6 months to 36 months to 3 years to 10 years.
- Awarding departments shall report all alleged program violations to the DGS.
- DGS will report allegations of program abuse with sufficient grounds to the Attorney General's Office.

## AB 2249

- Requires written declaration for all applicants.
- Requires Office of Small Business and DVBE Services to obtain official federal tax transcript, if just cause exists.

## SB 1510

- Modifies the definition of commercially useful function by adding:

*Is responsible, with respect to products, inventories, materials, and supplies required for the contract, for negotiating price, determining quality and quantity, ordering, installing, if applicable, and making payment.*

# OFFICE OF SMALL BUSINESS & DVBE SERVICES

Send suggested regulation language to:

[SBRegulations@dgs.ca.gov](mailto:SBRegulations@dgs.ca.gov)