

AMENDED IN SENATE MARCH 3, 2025

**SENATE BILL**

**No. 70**

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**Introduced by Senator Seyarto**

January 14, 2025

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An act to amend Sections 14838.5 and 14838.64 of the Government Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 70, as amended, Seyarto. Public contracts: Small Business Procurement and Contract Act.

The Small Business Procurement and Contract Act permits a state agency or the California State University to award a contract for goods, services, or information technology with an estimated value 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 increase the maximum estimated value of a contract for goods, services, or information technology awarded pursuant to the act from \$250,000 to \$350,000. Commencing January 1, ~~2026~~, 2028, and biennially thereafter, the bill would require the Director of General Services to conduct a review of that maximum value, and would authorize the director to adjust that value to reflect changes in the California Consumer Price Index.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

SECTION 1. Section 14838.5 of the Government Code is amended to read:

14838.5. (a) (1) Notwithstanding the advertising, bidding, and protest provisions of Chapter 6 (commencing with Section 14825) of this part and Chapter 2 (commencing with Section 10290) and Chapter 3 (commencing with Section 12100) of Part 2 of Division 2 of the Public Contract Code, a state agency may award a contract for the acquisition of goods, services, or information technology that has an estimated value of greater than five thousand dollars (\$5,000), but less than three hundred fifty thousand dollars (\$350,000), to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, as long as the agency obtains price quotations from two or more certified small businesses, including microbusinesses, or from two or more disabled veterans business enterprises.

(2) Commencing January 1, ~~2026~~, 2028, and biennially thereafter, the Director of General Services shall conduct a review of the maximum estimated contract value specified in this subdivision and may adjust that value to reflect changes in the California Consumer Price Index.

(b) In carrying out subdivision (a), a state agency shall consider a responsive offer timely received from a responsible certified small business, including a microbusiness, or from a disabled veteran business enterprise.

(c) If the estimated cost to the state is less than five thousand dollars (\$5,000) for the acquisition of goods, services, or information technology, or a greater amount as administratively established by the director, a state agency shall obtain at least two price quotations from responsible suppliers whenever there is reason to believe a response from a single source is not a fair and reasonable price.

SEC. 2. Section 14838.64 of the Government Code is amended to read:

14838.64. (a) (1) Notwithstanding any other law, including, but not limited to, the advertising, bidding, and protest provisions of Chapter 6 (commencing with Section 14825) of this part and Chapter 2.5 (commencing with Section 10700) and Chapter 3 (commencing with Section 12100) of Part 2 of Division 2 of the

Public Contract Code, the California State University may award a contract for the acquisition of goods, services, or information technology that has an estimated value of greater than five thousand dollars (\$5,000), but less than three hundred fifty thousand dollars (\$350,000), to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, if the California State University obtains price quotations from two or more certified small businesses, including microbusinesses, or from two or more disabled veteran business enterprises.

(2) Commencing January 1, ~~2026~~, 2028, and biennially thereafter, the Director of General Services shall conduct a review of the maximum estimated contract value specified in this subdivision and may adjust that value to reflect changes in the California Consumer Price Index.

(b) In carrying out subdivision (a), the California State University shall consider a responsive offer timely received from a responsible certified small business, including a microbusiness, or from a disabled veteran business enterprise.