

Introduced by Senator Seyarto

January 14, 2025

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 introduced, 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, 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:

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

1 14838.5. (a) (1) Notwithstanding the advertising, bidding,
2 and protest provisions of Chapter 6 (commencing with Section
3 14825) of this part and Chapter 2 (commencing with Section
4 10290) and Chapter 3 (commencing with Section 12100) of Part
5 2 of Division 2 of the Public Contract Code, a state agency may
6 award a contract for the acquisition of goods, services, or
7 information technology that has an estimated value of greater than
8 five thousand dollars (\$5,000), but less than ~~two~~ *three* hundred
9 fifty thousand dollars ~~(\$250,000)~~, *(\$350,000)*, to a certified small
10 business, including a microbusiness, or to a disabled veteran
11 business enterprise, as long as the agency obtains price quotations
12 from two or more certified small businesses, including
13 microbusinesses, or from two or more disabled veterans business
14 enterprises.

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

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

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

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

33 14838.64. (a) (1) Notwithstanding any other law, including,
34 but not limited to, the advertising, bidding, and protest provisions
35 of Chapter 6 (commencing with Section 14825) of this part and
36 Chapter 2.5 (commencing with Section 10700) and Chapter 3
37 (commencing with Section 12100) of Part 2 of Division 2 of the
38 Public Contract Code, the California State University may award
39 a contract for the acquisition of goods, services, or information
40 technology that has an estimated value of greater than five thousand

1 dollars (\$5,000), but less than ~~two~~ *three* hundred fifty thousand
2 dollars ~~(\$250,000); (\$350,000)~~, to a certified small business,
3 including a microbusiness, or to a disabled veteran business
4 enterprise, if the California State University obtains price
5 quotations from two or more certified small businesses, including
6 microbusinesses, or from two or more disabled veteran business
7 enterprises.

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

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