

## Senate Bill 29

By: Senators Pearson of the 51st, Murphy of the 27th, Butterworth of the 50th, Mullis of the 53rd and Hawkins of the 49th

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 4 of Chapter 2 of Title 32 of the Official Code of Georgia Annotated,  
2 relating to the Department of Transportation's power to contract, so as to require that the  
3 department award a certain number of contracts to small businesses; to amend Article 3 of  
4 Chapter 5 of Title 50 of the Official Code of Georgia Annotated, relating to state purchasing,  
5 so as to require that a certain percentage of all funds appropriated to the state's various budget  
6 units be dedicated to projects and contracts involving small businesses; to require under  
7 certain circumstances that the Department of Administrative Services take into consideration  
8 such small business requirement prior to entering into any contract; to provide for  
9 definitions; to provide certain audit duties to the Office of Planning and Budget; to provide  
10 that such office report to certain legislative committees; to amend Chapter 22 of Title 50 of  
11 the Official Code of Georgia Annotated, relating to managerial control over acquisition of  
12 professional services, so as to provide that small businesses are considered wherever  
13 reasonable and practicable prior to a principal representative entering into a contract for  
14 professional services on behalf of certain state entities; to provide for related matters; to  
15 repeal conflicting laws; and for other purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

17 **SECTION 1.**

18 Article 4 of Chapter 2 of Title 32 of the Official Code of Georgia Annotated, relating to the  
19 Department of Transportation's power to contract, is amended by adding two new  
20 subsections to Code Section 32-2-69, relating to the award of contract to lowest reliable  
21 bidder, to read as follows:

22 "(e) Notwithstanding the provisions of this Code section, the department shall, whenever  
23 reasonable and practicable, award at least 10 percent of all contracts to a small business.  
24 (f) For the purposes of this Code section, 'small business' means a Georgia business which  
25 is independently owned and operated and has fewer than 50 employees."

26 **SECTION 2.**

27 Article 3 of Chapter 5 of Title 50 of the Official Code of Georgia Annotated, relating to state  
28 purchasing, is amended in Part 1, relating to general authority, duties, and procedure of the  
29 department, by adding a new Code section to read as follows:

30 "50-5-84.

31 When awarding a contract pursuant to any provision in this article, the Department of  
32 Administrative Services shall, whenever reasonable and practicable, take into consideration  
33 the provisions of subsection (a) of Code Section 50-5-126."

34 **SECTION 3.**

35 Said article is further amended in Part 3, relating to small business assistance, by designating  
36 the existing provisions as Subpart 1 and by adding a new subpart to read as follows:

37 "Subpart 2

38 50-5-125.

39 As used in this subpart, the term:

40 (1) 'Budget unit' shall have the same meaning provided in paragraph (10) of Code  
41 Section 45-12-71.

42 (2) 'Contract' means any contract, subcontract, procurement, or bid entered into by a  
43 budget unit for supplies, materials, equipment, and services, including, but not limited to,  
44 professional services.

45 (3) 'Governmental entity' means the governing body of any county, municipal  
46 corporation, or any consolidated city-county government.

47 (4) 'Small business' means a Georgia business which is independently owned and  
48 operated and has fewer than 50 employees.

49 50-5-126.

50 (a) The state's various budget units shall, whenever reasonable and practicable, dedicate  
51 at least 10 percent of all funds appropriated to such budget units by the General Assembly  
52 to contracts with small businesses.

53 (b) At least 10 percent of all funds appropriated by each local governmental entity as part  
54 of its fiscal budget for each year shall be, whenever reasonable and practicable, dedicated  
55 to contracts involving small businesses.

56 50-5-127.

57 (a) The Office of Planning and Budget shall on an annual basis audit the contracts of each  
58 budget unit to determine whether each budget unit has satisfied the provisions of Code  
59 Section 50-5-126 for the previous fiscal year. The Office of Planning and Budget shall on  
60 an annual basis provide the Senate Economic Development Committee and the House  
61 Committee on Economic Development and Tourism with a copy of a report demonstrating  
62 the audit's findings and make itself available for testimony upon the request of the  
63 chairpersons of each committee.

64 (b) Each local governmental entity shall on an annual basis draft a report demonstrating  
65 what contracts were awarded to small businesses and whether such governmental entity has  
66 satisfied the provisions of Code Section 50-5-126 for the previous fiscal year. Such report  
67 shall be available to the public upon request."

68 **SECTION 4.**

69 Chapter 22 of Title 50 of the Official Code of Georgia Annotated, relating to managerial  
70 control over acquisition of professional services, is amended in Code Section 50-22-6,  
71 relating to selection of professional through contract negotiations, by adding a new  
72 subsection to read as follows:

73 "(f) Prior to entering into a contract for professional services pursuant to this Code section,  
74 the principal representative shall take into consideration, whenever reasonable and  
75 practicable, the provisions of subsection (a) of Code Section 50-5-126."

76 **SECTION 5.**

77 All laws and parts of laws in conflict with this Act are repealed.