

House Bill 863

By: Representatives Reese of the 140th, Mathiak of the 82nd, Smith of the 41st, Ridley of the 6th, and Berry of the 56th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 3 of Chapter 5 of Title 50 of the Official Code of Georgia Annotated,
2 relating to state purchasing, so as to provide for a small business set-aside program
3 administered by the Department of Administrative Services under which state agencies
4 would be required to make reasonable efforts to dedicate 20 percent of their annual
5 procurement contracts to projects and contracts involving small businesses; to provide for
6 certification of small businesses; to provide for a small business directory; to provide for an
7 annual reporting requirement; to provide for rules and regulations; to provide for definitions;
8 to provide for a short title; to provide for related matters; to repeal conflicting laws; and for
9 other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 This Act shall be known and may be cited as the "Georgia Small Business Set-Aside Act."

13 **SECTION 2.**

14 Article 3 of Chapter 5 of Title 50 of the Official Code of Georgia Annotated, relating to state
15 purchasing, is amended by revising Code Section 50-5-120, which is reserved, as follows:

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16 "50-5-120.

17 (a) As used in this part, the term:

18 (1) 'Department' means the Department of Administrative Services.

19 (2) 'Set-aside program' means a procurement process in which the department makes
20 reasonable efforts to ensure a specified percentage of contracts or procurement
21 opportunities are reserved exclusively for small businesses.

22 (3) 'Small business' means a business that is independently owned and operated, is not
23 dominant in its field, and meets the criteria set forth by the department.

24 (4) 'Stage agency' means any department, agency, commission, board, or other entity of
25 the state that engages in the procurement of goods, services, or construction.

26 (b) The department shall establish a set-aside program under which each state agency shall
27 make reasonable efforts to set aside at least 20 percent of its annual procurement contracts
28 exclusively for small businesses. The department shall identify eligible contracts and
29 publish set-aside program opportunities on its official procurement website.

30 (c) To qualify for the set-aside program, a business shall be certified by the department as
31 a small business. Certification criteria shall include business size, revenue, and operational
32 capacity. The department shall establish an application process for certification and
33 maintain a directory of certified small businesses.

34 (d) Each state agency shall submit an annual report to the department detailing the total
35 value of contracts awarded to small businesses under the set-aside program. The
36 department shall submit an annual report to the Governor and General Assembly
37 documenting the total value of contracts awarded by state agencies to small businesses
38 under the set-aside program. State agencies failing to set aside at least 20 percent of their
39 annual procurement contracts for small businesses, as provided for under subsection (b) of
40 this Code section, shall submit a corrective action plan to the department.

41 (e) The department shall develop rules and regulations necessary to implement and enforce
42 the provisions of this Code section. The department is authorized to conduct training

43 sessions and provide resources to assist small businesses in navigating state procurement
44 opportunities under the set-aside program. Reserved."

45 **SECTION 3.**

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