



# Office of the Governor

ARNOLD SCHWARZENEGGER  
THE PEOPLE'S GOVERNOR

## EXECUTIVE ORDER S-02-06

03/29/2006

WHEREAS, California has over one million small businesses which employ more than 6.8 million people, this represents 98 percent of all California enterprises and employs more than 50 percent of our workforce. California's sustained economic prosperity is tied directly to the success of the State's small businesses; and

WHEREAS, it is the State of California's policy to encourage the establishment of new businesses, grow existing businesses and promote more small business contracting with the State of California; and

WHEREAS, in response to business concerns about the difficulty of accessing information related to small business on various websites the Labor & Workforce Development Agency, the Business Transportation & Housing Agency and the Department of Food & Agriculture formed the California Economic Development Partnership (Partnership) to develop a website ([calbusiness.ca.gov](http://calbusiness.ca.gov)) to assist businesses. This website provides a single portal for accessing information for starting, growing, and financing, expanding or relocating a business in California. The portal seeks to simplify the path to the resources businesses need which are provided by a myriad of public and private sources, from State and federal agencies to local private non-profit organizations; and

WHEREAS, it is the State of California's policy to promote small business participation in its procurement and contracting processes by requiring all State agencies, departments, boards and commissions to achieve a goal of 25 percent small business participation in state procurements and contracts; and my Administration is firmly committed to meet or exceed this vital goal through the coordinated efforts of all levels of State government; and

WHEREAS, the State of California purchases more than \$8.9 billion annually in goods and services (both non-information technology and information technology), construction and public works.

NOW THEREFORE, I, ARNOLD SCHWARZENEGGER, Governor of the State of California by virtue of the power and authority vested in me by the Constitution and the statutes of the State of California, do hereby issue this Order to become effective immediately:

1. Each agency secretary, department director, and executive officer shall ensure that the State's procurement and contracting processes are administered in order to meet or exceed the 25 percent small business participation goal, and identify a Small Business Advocate at the agency, department,

board, or commission level, encouraging them to develop and share innovative procurement and contracting practices from the public and private sectors to increase opportunities for small businesses.

2. The Department of General Services (DGS) shall monitor the progress of all agencies, departments, board and commissions towards meeting the 25 percent small business participation goal. The DGS and its California Small Business Advisory Council shall notify each agency secretary, department director, or executive officer, and Small Business Advocate of their individual successes and deficiencies, based on the most recent annual report. The DGS will also share this information with the California Small Business Advocate in the Governor's Office of Planning and Research.

3. State agencies, departments, boards and commissions that have not achieved the small business participation goal must submit an Implementation and Corrective Action Plan to the DGS. The DGS will share these plans with the California Small Business Advocate and together they will explore ways, including Memorandums of Understanding, to work with departments to improve performance.

4. All State agencies, departments, boards and commissions shall use the Statutory Informal Bidding Provisions to contract with small businesses for goods and services contracts under \$100,000 and construction contracts under \$120,000 whenever possible.

5. The DGS shall focus on achieving small business participation by enhancing the approaches pioneered under the California Strategic Sourcing Initiative such as Partnering Workshops as part of Bidders' Conferences. These workshops successfully bring prime vendors and small businesses together to jointly obtain State contracts.

6. California Economic Development Partnership shall continue to facilitate the improved access of information to businesses through its web portal and other technologies. The DGS shall actively promote small business certification and help certified small businesses market their products, goods, and services to the State and further promote the use of the California State Contracts Register, Subscription Outreach Service, which notifies potential bidders of bid opportunities advertised in their specific area of interest. All State agencies, departments, boards and commissions are to work with the DGS by providing accessible links to their websites listing current bid opportunities.

7. The California Small Business Advocate is directed to enhance the State's Small Business program, focusing particularly on areas related to regulations and helping small businesses secure needed financing. The Small Business Advocate shall coordinate with the DGS to cooperatively enhance the State's Small Business program and is directed to conduct five regional workshops within the next 12 months focusing on the establishment and growth of small businesses and increased contracting opportunities within the State of California.

State constitutional officers, the University of California, the California State University, the Lottery Commission, the Public Employees' Retirement System, the State Teachers' Retirement System, the State Compensation Insurance Fund, and other independent State entities are encouraged to take all necessary actions to comply with the intent and the requirements of this Order.

This Order is not intended to, and does not create any right or benefit, substantive or procedural, enforceable in law or equity, against the State of California, its departments, agencies or other entities, its officers or employees, or any other person. Nothing in this Order shall be construed to require any action that would result in the violation of a court order or a loss of eligibility for federal funding.



IN WITNESS WHEREOF I have here unto set my hand and caused the Great Seal of the State of California to be affixed this the twenty-ninth day of March 2006. /s/ Arnold Schwarzenegger Governor of California