

Senate Bill (SB) 605 Frequently Asked Questions for Customers

New: Small Business (SB)-Public Works Certification Available January 1, 2019

What is SB 605?

SB 605 is a bill that was signed by the Governor on October 11, 2017. It amended Government Code 14837 & 14838 that covers certification under the Small Business Procurement and Contract Act.

What are the SB requirements for a Public Works Certification?

This bill increases Small Business 3-year average Gross Annual Receipts (GARs) eligibility threshold for existing SB certification programs to:

- » \$15 million for Small Business (SB)
- » \$5 million for Microbusiness (MB)

New SB 605 Certification Category for the purpose of public works contracts/projects:

- » \$36 million in 3-year average GARS
- » 200 employee count

What is the definition of Public Works?

Senate Bill 605 defines Public Works per Public Contract Code § 1101 as “Public works contract,” used in this part, means an agreement for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

What does this mean for SB?

The bill will expand opportunities to participate in public works to firms that are relatively small in the public arena, even though they are larger than the currently certified small businesses.

It will allow small businesses that are close to graduating from certification (getting over the \$15 million GARs) maintain a small business certification in the public works arena, if they elect to do so.

It will allow DVBEs who were not eligible for current small business certification to enjoy the benefits of SB by getting certified and participating as a small business for the purpose of public works.

Is there a difference between the certification of SB currently in place and the certification under SB 605?

Yes. This chart highlights the differences:

	SB	SB 605
Average GARs for Last 3 Years	\$15,000,000	\$36,000,000
Employee Count Four Most Recent Quarters	100	200

(FAQs continued on the other side)

Do I have to register with the Department of Industrial Relations (DIR) to be eligible for the Public Works certification?

No. If a business answers “Yes” in the SB 605 application to the question about holding a construction contractor’s license with the Contractors State License Board (CSLB), then the application will ask for that permit number. Please note that while it is not required for certification, you may be required to register with DIR as a contractor participating in public works contracts.

For information on how to obtain a permit through DIR visit www.dir.ca.gov.

For information on how to obtain a license through CSLB visit www.cslb.ca.gov.

Is this certification only for Public Works contracts or projects?

Yes, certified firms under SB 605 can only be used for the purpose of public works contracts/projects.

How long is the certification period?

It is valid for up to 2 years. All certified businesses are subject to re-verification of status at any time.

Can I continue to use my SB certification for Public Works?

Absolutely! There is no change in the ability of small businesses currently certified to participate in any state contracts, including public works.

How long will it take to get certified?

In some cases, the application may be approved online automatically once submitted.

Subsequent recertification applications may require a certification review. If the application goes into a “Waiting for Review” status requiring a review by one of our certification officers, it generally takes up to 30 days.

Where can I get more information?

For more information about the program in general and to learn more about the OSDS certificate program requirements visit: <http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>

If you have any questions in regards to the FAQs, or the certification process, contact the office at (916) 375-4940 or by email at SBPublicWorks@dgs.ca.gov.