

House Bill 289

By: Representatives Bruce of the 61<sup>st</sup>, Beverly of the 143<sup>rd</sup>, McClain of the 109<sup>th</sup>, Marin of the 96<sup>th</sup>, Bazemore of the 69<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 5 of Title 50 of the Official Code of Georgia Annotated, relating to the  
2 Department of Administrative Services, so as to define certain terms; to create the Division  
3 of Supplier Diversity; to provide for appointment of a director; to provide for powers and  
4 duties of the director; to create the position of minority and women owned business  
5 enterprises state-wide advocate; to provide for appointment; to provide for duties; to provide  
6 for provisions for state contracts; to provide for a state-wide disparity study; to provide for  
7 contents; to provide for the structure of procurement contracts; to provide for purposes, rules,  
8 and regulations; to provide for the promulgation of rules and regulations; to provide for  
9 exceptions; to provide for waivers; to provide for certification; to provide for penalties for  
10 violations; to provide for related matters; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Chapter 5 of Title 50 of the Official Code of Georgia Annotated, relating to the Department  
14 of Administrative Services, is amended by adding a new article to read as follows:

H. B. 289

15 "ARTICLE 516 50-5-150.17 As used in this article, the term:18 (1) 'Certified business' means a business verified as a socially and economically  
19 disadvantaged business enterprise or women owned business enterprise pursuant to Code  
20 Section 50-5-157.21 (2) 'Contracting agency' means a state agency which is a party or a proposed party to a  
22 state contract.23 (3) 'Contractor' means an individual; a business enterprise, including a sole  
24 proprietorship, partnership, corporation, nonprofit corporation, or any other party to a  
25 state contract; a bidder in conjunction with the award of a state contract; or a proposed  
26 party to a state contract.27 (4) 'Director' means the director of the Division of Supplier Diversity of the Department  
28 of Administrative Services.29 (5) 'Diversity practices' means a contractor's practices and policies with respect to:30 (A) Utilizing certified businesses as subcontractors and suppliers in contracts awarded  
31 by a state agency or other public corporation; and32 (B) Entering into partnerships, joint ventures, or other similar arrangements with  
33 certified businesses pursuant to applicable statutes or regulations governing an entity's  
34 utilization of minority and women owned business enterprises.35 (6) 'Division' means the Division of Supplier Diversity of the Department of  
36 Administrative Services.37 (7) 'Minority and women owned business enterprises' means both a minority owned  
38 business enterprise and a women owned business enterprise.39 (8) 'Minority group member' means a United States citizen or permanent resident alien  
40 who is and can demonstrate membership in one of the following groups:

- 41 (A) African American persons having origins in any of the African racial groups;  
42 (B) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, or Central or  
43 South American origin, regardless of race;  
44 (C) Native American or Alaskan native persons having origins in any of the original  
45 peoples of North America; or  
46 (D) Asian or Pacific Islander persons having origins in any of the East Asian countries,  
47 Southeast Asia, the Indian subcontinent, or the Pacific Islands.
- 48 (9) 'Minority owned business enterprise' means a business enterprise, including a sole  
49 proprietorship, partnership, or corporation, that is:  
50 (A) At least 51 percent owned by one or more minority group members;  
51 (B) An enterprise in which the ownership interest of such minority group members is  
52 real, substantial, and continuing;  
53 (C) An enterprise in which such minority ownership has and exercises the authority to  
54 control independently the day-to-day business decisions of such enterprise; and  
55 (D) Authorized to do business in this state and is independently owned and operated.
- 56 (10) 'Socially and economically disadvantaged' means such persons are socially  
57 disadvantaged because of their identification as members of certain groups that have  
58 suffered the effects of discriminatory practices or similar invidious circumstances over  
59 which they have no control. Such groups include, but are not limited to, African  
60 Americans, Hispanic Americans, Native Americans, Indian tribes, Asian-Pacific  
61 Americans, Native Hawaiian organizations, women, and other minorities.
- 62 (11) 'State agency' means a state department; a division, board, commission, or bureau  
63 of any state department; or a state authority.
- 64 (12) 'State contract' means:  
65 (A) A written agreement or purchase order instrument providing for a total expenditure  
66 in excess of \$35,000.00 whereby a contracting agency is committed to expend or does  
67 expend funds in return for labor; services such as legal, financial, and other professional

68 services; supplies; equipment; materials; or any combination of the foregoing to be  
69 performed for or rendered or furnished to the contracting agency;

70 (B) A written agreement in excess of \$100,000.00 whereby a contracting agency is  
71 committed to expend or does expend funds for the acquisition, construction, demolition,  
72 replacement, major repair, or renovation of real property and improvements thereon;  
73 and

74 (C) A written agreement in excess of \$100,000.00 whereby the owner of a state  
75 assisted housing project is committed to expend or does expend funds for the  
76 acquisition, construction, demolition, replacement, major repair, or renovation of real  
77 property and improvements thereon for such project.

78 (13) 'State-wide advocate' means the person appointed by the commissioner of  
79 administrative services to serve in the capacity of the minority and women owned  
80 business enterprises state-wide advocate.

81 (14) 'Subcontract' means an agreement providing for a total expenditure in excess of  
82 \$25,000.00 for the construction, demolition, replacement, major repair, renovation,  
83 planning, or design of real property and improvements thereon between a contractor and  
84 any individual or business enterprise, including a sole proprietorship, partnership,  
85 corporation, or nonprofit corporation, in which a portion of a contractor's obligation under  
86 a state contract is undertaken or assumed, but such agreement shall not include any  
87 construction, demolition, replacement, major repair, renovation, planning, or design of  
88 real property or improvements thereon for the beneficial use of the contractor.

89 (15) 'Utilization plan' means a plan prepared by a contractor and submitted in connection  
90 with a proposed state contract. Such plan shall identify certified businesses, if known,  
91 that have committed to perform work in connection with the proposed state contract as  
92 well as any certified business, if known, which the contractor intends to use in connection  
93 with the contractor's performance of the proposed state contract. Such plan shall

94 specifically contain a list, including the name, address, and telephone number, of each  
95 certified business with which the contractor intends to subcontract.

96 (16) 'Women owned business enterprise' means a business enterprise, including a sole  
97 proprietorship, partnership, or corporation, that is:

98 (A) At least 51 percent owned by one or more United States citizens or permanent  
99 resident aliens who are women;

100 (B) An enterprise in which the ownership interest of such women is real, substantial,  
101 and continuing;

102 (C) An enterprise in which such women ownership has and exercises the authority to  
103 control independently the day-to-day business decisions of such enterprise; and

104 (D) Authorized to do business in this state and is independently owned and operated.

105 50-5-151.

106 (a) There is created within the Department of Administrative Services the Division of  
107 Supplier Diversity. The head of the division shall be the director, who shall be appointed  
108 by and hold office at the pleasure of the commissioner of administrative services. It shall  
109 be the duty of the director to assist the Governor in the formulation and implementation of  
110 laws and policies relating to minority and women owned business enterprises.

111 (b) The director may appoint such deputies, assistants, and other employees as may be  
112 needed for the performance of the duties prescribed in this article. The director may  
113 request and shall receive from any state agency such assistance as may be necessary to  
114 carry out the provisions of this article.

115 (c) The director shall have the following powers and duties:

116 (1) To encourage and assist contracting agencies in their efforts to increase participation  
117 by minority and women owned business enterprises on state contracts and subcontracts  
118 so as to facilitate the award of a fair share of such state contracts and subcontracts to  
119 them;

- 120 (2) To develop standardized forms and reporting documents necessary to implement this  
121 article;
- 122 (3) To conduct educational programs consistent with the purposes of this article;
- 123 (4) To periodically review the practices and procedures of each contracting agency for  
124 compliance with the provisions of this article and to require such contracting agencies to  
125 file periodic reports with the division as to the participation level of minority and women  
126 owned business enterprises in the awarding of state contracts;
- 127 (5) To report to the Governor and the chairpersons of the Senate Finance Committee and  
128 the House Committee on Ways and Means on January 1 of each year the level of certified  
129 minority and women owned business enterprises participating in each contracting  
130 agency's state contracts, the activities of the division, and the efforts by each contracting  
131 agency to promote employment of minority group members and women and to promote  
132 and increase participation by certified businesses with respect to state contracts and  
133 subcontracts so as to facilitate the award of a fair share of state contracts to such certified  
134 businesses. The director may recommend new activities and programs to effectuate the  
135 purposes of this article;
- 136 (6) To prepare and periodically update a directory of certified businesses which shall,  
137 wherever practicable, be divided into categories of labor, services, supplies, equipment,  
138 materials, and recognized construction trades and which shall indicate areas or locations  
139 of this state where such certified businesses are available to perform services;
- 140 (7) To appoint independent hearing officers who by contract or terms of employment  
141 shall preside over adjudicatory hearings for the division and who are assigned no other  
142 work by the division;
- 143 (8) To file a complaint when the director has knowledge that a contractor may have  
144 violated the provisions of this article and such violation is unrelated, separate, or distinct  
145 from the state contract as expressed by its terms; and

146 (9) To streamline the state certification process to accept federal and municipal  
147 corporation certifications.

148 (d) The director may provide assistance to, and facilitate access to, programs serving  
149 certified businesses as well as applicants to ensure that such certified businesses benefit,  
150 as needed, from technical, managerial, financial, and general business assistance; training;  
151 marketing; organizational and personnel skill development; project management assistance;  
152 technology assistance; bond and insurance education assistance; and other business  
153 development assistance. In addition, the director may, either independently or in  
154 conjunction with other state agencies:

155 (1) Develop a clearinghouse of information on programs and services provided by  
156 entities that may assist such certified businesses;

157 (2) Review bonding and paperwork requirements imposed by contracting agencies that  
158 may unnecessarily impede the ability of such certified businesses to compete; and

159 (3) Seek to maximize utilization by minority and women owned business enterprises of  
160 available federal resources, including, but not limited to, federal grants, loans, loan  
161 guarantees, surety bonding guarantees, technical assistance, and programs and services  
162 of the federal Small Business Administration.

163 50-5-152.

164 (a) There is established within the division the office of the minority and women owned  
165 business enterprises state-wide advocate. The state-wide advocate shall be appointed by  
166 the commissioner of administrative services.

167 (b) The state-wide advocate shall act as a liaison for minority and women owned business  
168 enterprises to assist them in obtaining technical, managerial, financial, and other business  
169 assistance for certified businesses and applicants. The state-wide advocate shall investigate  
170 complaints brought by or on behalf of minority and women owned business enterprises  
171 concerning certification delays and instances of violations of law by state agencies. The

172 state-wide advocate shall assist certified businesses and applicants in the certification  
173 process. Other functions of the state-wide advocate shall be directed by the commissioner  
174 of administrative services. The state-wide advocate may request and the director may  
175 appoint staff and employees of the division to support the administration of the office of  
176 the state-wide advocate.

177 (c) The state-wide advocate shall establish a toll-free number at the Department of  
178 Administrative Services to be used to answer questions concerning the minority and  
179 women owned business enterprises certification process.

180 (d) The state-wide advocate shall report to the director and commissioner of administrative  
181 services by November 15 of each year on all activities related to fulfilling the obligations  
182 of the office of the state-wide advocate. The director shall include the unedited text of the  
183 state-wide advocate's report within the reports submitted by the director to the Governor  
184 and the chairpersons of the Senate Finance Committee and the House Committee on Ways  
185 and Means.

186 50-5-153.

187 (a) As used in this Code section, the term 'affirmative action' means recruitment,  
188 employment, job assignments, promotions, upgrades, demotions, transfers, layoffs, or  
189 terminations and rates of pay or other forms of compensation.

190 (b) All state contracts and all documents soliciting bids or proposals for state contracts  
191 shall contain or make reference to the following provisions:

192 (1) The contractor shall not discriminate against employees or applicants for employment  
193 because of race, creed, color, national origin, sex, age, disability, or marital status and  
194 will undertake or continue existing programs of affirmative action to ensure that minority  
195 group members and women are afforded equal employment opportunities without  
196 discrimination;

197 (2) At the request of the contracting agency, the contractor shall request each  
198 employment agency or labor union, or authorized representative of workers with which  
199 it has a collective bargaining or other agreement or understanding, to furnish a written  
200 statement that such employment agency, labor union, or representative will not  
201 discriminate on the basis of race, creed, color, national origin, sex, age, disability, or  
202 marital status and that such employment agency, labor union, or representative will  
203 affirmatively cooperate in the implementation of the contractor's obligations provided in  
204 this Code section;

205 (3) The contractor shall state in all solicitations or advertisements for employees that, in  
206 the performance of the state contract, all qualified applicants will be afforded equal  
207 employment opportunities without discrimination because of race, creed, color, national  
208 origin, sex, age, disability, or marital status;

209 (4) The contractor shall include the provisions of paragraph (1) of this subsection in  
210 every subcontract, except as provided in paragraph (6) of this subsection, in such a  
211 manner that the provisions will be binding upon each subcontractor as to work in  
212 connection with the state contract;

213 (5) The provisions of this Code section shall not be binding upon contractors or  
214 subcontractors in the performance of work or the provision of services or any other  
215 activity that is unrelated, separate, or distinct from the state contract as expressed by its  
216 terms;

217 (6) In the implementation of this Code section, the contracting agency shall consider  
218 compliance by a contractor or subcontractor with the requirements of any federal law  
219 concerning equal employment opportunity which effectuates the purpose of this Code  
220 section. The contracting agency shall determine whether the imposition of the  
221 requirements of this Code section duplicate or conflict with any such law, and if such  
222 duplication or conflict exists, the contracting agency shall waive the applicability of this  
223 Code section to the extent of such duplication or conflict;

224 (7) The director shall promulgate rules and regulations to ensure that contractors and  
225 subcontractors undertake programs of affirmative action and equal employment  
226 opportunity as required by this Code section. Such rules and regulations as they pertain  
227 to any particular agency shall be developed after consultation with contracting agencies.  
228 Such rules and regulations may require a contractor, after notice in a bid solicitation, to  
229 implement an equal employment opportunity program after bid opening and prior to the  
230 award of any contract and may require the contractor or subcontractor to submit  
231 compliance reports relating to the contractor's or subcontractor's operation and  
232 implementation of any equal employment opportunity program in effect as of the date the  
233 contract is executed. The contracting agency may recommend to the director that the  
234 director take appropriate action according to the procedures set forth in Code Section  
235 50-5-158 against the contractor for noncompliance with the requirements of this Code  
236 section. The contracting agency shall be responsible for monitoring compliance with this  
237 Code section; and

238 (8) The requirements of this Code section shall not apply to any employment outside this  
239 state, application for employment outside this state, or solicitations or advertisements  
240 therefor or any existing programs of affirmative action regarding employment outside this  
241 state, and the effect of the contract provisions required by paragraph (1) of this subsection  
242 shall be so limited.

243 50-5-154.

244 (a) The director is authorized and directed to commission a state-wide disparity study  
245 regarding the participation of minority and women owned business enterprises in state  
246 contracts to be delivered to the Governor and the chairpersons of the Senate Finance  
247 Committee and the House Committee on Ways and Means no later than 12 months after  
248 the effective date of this article, and such study shall be updated every two years from the  
249 date of the most current state-wide diversity study. The study shall be prepared by an

250 entity independent of the Department of Administrative Services and selected through a  
251 request for proposal process. The purpose of such study is:

252 (1) To determine whether there is a disparity between the number of qualified minority  
253 and women owned business enterprises ready, willing, and able to perform state contracts  
254 for commodities, services, and construction and the number of such contractors actually  
255 engaged to perform such contracts and to determine what changes, if any, should be made  
256 to state policies affecting minority and women owned business enterprises; and

257 (2) To determine whether there is a disparity between the number of qualified minority  
258 group members and women ready, willing, and able with respect to labor markets,  
259 qualifications, and other relevant factors to participate in contractor employment and  
260 management level bodies, including boards of directors, and as senior executive officers  
261 within contracting agencies and the number of such minority group members and women  
262 actually employed or affiliated with state contractors in the aforementioned capacities and  
263 to determine what changes, if any, should be made to state policies affecting minority  
264 group members and women with regard to state contractors' employment and  
265 appointment practices relative to diverse group members.

266 Such study shall include, but shall not be limited to, an analysis of the history of programs  
267 for minority and women owned business enterprises and their effectiveness as a means of  
268 securing and ensuring participation by minority group members and women and a disparity  
269 analysis by market area and region of this state. Such study shall distinguish among male  
270 minority group members, female minority group members, and nonminority females in the  
271 statistical analysis.

272 (b) The director shall transmit the state-wide disparity study to the Governor and the  
273 chairpersons of the Senate Finance Committee and the House Committee on Ways and  
274 Means upon completion and shall post such study on the website of the Department of  
275 Administrative Services.

276 50-5-155.

277 (a) Each state agency shall structure procurement procedures for contracts made directly  
278 or indirectly to minority and women owned business enterprises, consistent with the  
279 purposes of this article, to achieve the following results with regard to total annual  
280 state-wide procurement:

281 (1) It is in the national interest to expeditiously ameliorate the conditions of socially and  
282 economically disadvantaged groups;

283 (2) Such conditions can be improved by providing the maximum practicable opportunity  
284 for the development of successful business concerns owned by members of socially and  
285 economically disadvantaged groups;

286 (3) Such development can be materially advantaged through the procurement by the state  
287 for articles, equipment, supplies, services, materials, and labor from such concerns;

288 (4) Such procurements also benefit the state by encouraging the expansion of diverse  
289 suppliers for such procurements, thereby encouraging competition among such suppliers  
290 and promoting economy in such procurements; and

291 (5) It is the purpose of this article to:

292 (A) Promote the business development of business concerns owned and operated by  
293 socially and economically disadvantaged individuals so that such concerns can compete  
294 on an equal basis in the American economy;

295 (B) Promote the competitive viability of such concerns in the marketplace by providing  
296 such available contract, financial, technical, and management assistance as may be  
297 necessary; and

298 (C) Clarify and expand the supplier diversity program for the procurement by the state  
299 of articles, equipment, supplies, services, materials, and labor from concerns owned by  
300 socially and economically disadvantaged individuals.

301 (b) The director shall ensure that each state agency has been provided with a copy of the  
302 most current state-wide disparity study.

303 (c) Each state agency shall develop and adopt agency-specific goals based on the findings  
304 of the most current state-wide disparity study. Notwithstanding any other provision of this  
305 article, such goals shall be no less than 75 percent ownership of a business enterprise by  
306 a female or minority group member. If ownership is less than 75 percent female or  
307 minority owned, the goal may be met by a prorated percentage of ownership that is less  
308 than 75 percent but not less than 51 percent.

309 (d) The director shall promulgate rules and regulations pursuant to the goals established  
310 in subsection (a) of this Code section that provide measures and procedures to ensure that  
311 certified businesses shall be given the opportunity for maximum feasible participation in  
312 the performance of state contracts and to assist in the contracting agency's identification  
313 of those state contracts for which certified businesses may best bid to actively and  
314 affirmatively promote and assist their participation in the performance of state contracts so  
315 as to facilitate the contracting agency's achievement of the maximum feasible portion of  
316 the goals for state contracts to such certified businesses.

317 (e) The director shall promulgate rules and regulations that:

318 (1) Provide for the certification and decertification of minority and women owned  
319 business enterprises for all state agencies through a single process that meets applicable  
320 requirements;

321 (2) Require that each contract solicitation document accompanying each solicitation sets  
322 forth the expected degree of participation by minority and women owned business  
323 enterprises based, in part, on:

324 (A) The potential subcontract opportunities available in the prime procurement  
325 contract; and

326 (B) The availability, as contained within the most current state-wide diversity study,  
327 of certified businesses to respond competitively to potential subcontract opportunities;

328 (3) Require that each state agency provide a current list of certified businesses to each  
329 prospective contractor;

330 (4) Allow a contractor that is a certified business enterprise to use the work it performs  
331 to meet requirements for use of certified businesses as subcontractors;  
332 (5) Provide for joint ventures, which a bidder may count toward meeting participation  
333 by minority and women owned business enterprises;  
334 (6) Consistent with subsection (i) of this Code section, provide for circumstances under  
335 which a contracting agency may waive obligations of the contractor relating to  
336 participation by minority and women owned business enterprises;  
337 (7) Require that a contracting agency verify that minority and women owned business  
338 enterprises listed in a successful bid are actually participating to the extent listed in the  
339 project for which the bid was submitted;  
340 (8) Provide for the collection of statistical data by each contracting agency concerning  
341 actual participation by minority and women owned business enterprises; and  
342 (9) Require each contracting agency to consult the most current state-wide disparity  
343 study when calculating agency-wide and contract-specific participation goals pursuant  
344 to this article.  
345 (f) Solely for the purpose of providing the opportunity for meaningful participation by  
346 certified businesses in the performance of state contracts as provided in this Code section,  
347 state contracts shall include leases of real property by a state agency to a lessee where the  
348 terms of such leases provide for the construction, demolition, replacement, major repair,  
349 or renovation of real property and improvements thereon by such lessee and the cost of  
350 such construction, demolition, replacement, major repair, or renovation of real property and  
351 improvements thereon shall exceed the sum of \$100,000.00. Reports to the director  
352 pursuant to Code Section 50-5-158 shall include activities with respect to all such state  
353 contracts. Contracting agencies shall include or require to be included, with respect to state  
354 contracts for the acquisition, construction, demolition, replacement, major repair, or  
355 renovation of real property and improvements thereon, such provisions as may be

356 necessary to effectuate the provisions of this Code section in every bid specification and  
357 state contract, including but not limited to:

358 (1) Provisions requiring contractors to make a good faith effort to solicit active  
359 participation by certified businesses provided to the contracting agency by the office of  
360 the state-wide advocate;

361 (2) Requiring the parties to agree, as a condition of entering into such contract, to be  
362 bound by the provisions of Code Section 50-5-159; and

363 (3) Requiring the contractor to include the provisions set forth in paragraphs (1) and (2)  
364 of this subsection in every subcontract in a manner that the provisions will be binding  
365 upon each subcontractor as to work in connection with such contract; provided, however,  
366 that no such provisions shall be binding upon contractors or subcontractors in the  
367 performance of work or the provision of services that are unrelated, separate, or distinct  
368 from the state contract as expressed by its terms, and nothing in this Code section shall  
369 authorize the director or any contracting agency to impose any requirement on a  
370 contractor or subcontractor except with respect to a state contract.

371 (g) In the implementation of this Code section, the contracting agency shall:

372 (1) Consult the findings contained within the most current state-wide disparity study  
373 evidencing relevant industry specific availability of certified businesses;

374 (2) Implement a program that will enable the contracting agency to evaluate each  
375 contract to determine the appropriateness of the goal pursuant to subsection (a) of this  
376 Code section;

377 (3) Consider where practicable the severability of construction projects and other  
378 bundled contracts; and

379 (4) Consider compliance with the requirements of any federal law concerning  
380 opportunities for minority and women owned business enterprises which effectuates the  
381 purpose of this Code section. The contracting agency shall determine whether the  
382 imposition of the requirements of this Code section duplicate or conflict with any such

383 law, and if such duplication or conflict exists, the contracting agency shall waive the  
384 applicability of this Code section to the extent of such duplication or conflict.  
385 (h)(1) Contracting agencies shall administer the rules and regulations promulgated by the  
386 director in a good faith effort to meet the maximum feasible portion of the contracting  
387 agency's goals adopted pursuant to this article and the rules and regulations of the  
388 director. Such rules and regulations shall require a contractor to submit a utilization plan  
389 after bids are opened and when bids are required but prior to the award of a state contract;  
390 shall require the contracting agency to review the utilization plan and to post the  
391 utilization plan and any waivers of compliance issued pursuant to subsection (i) of this  
392 Code section on the website of the contracting agency within a reasonable period of time  
393 as established by the director; shall require the contracting agency to notify the contractor  
394 in writing within a period of time specified by the director as to any deficiencies  
395 contained in the utilization plan; shall require remedy thereof within a period of time  
396 specified by the director; shall require the contractor to submit periodic compliance  
397 reports relating to the operation and implementation of any utilization plan; shall not  
398 allow any automatic waivers but shall allow a contractor to apply for a partial or total  
399 waiver of the requirements of participation by minority and women owned business  
400 enterprises pursuant to subsections (i) and (j) of this Code section; shall allow a  
401 contractor to file a complaint with the director pursuant to subsection (k) of this Code  
402 section in the event a contracting agency has failed or refused to issue a waiver of the  
403 requirements of participation by minority and women owned business enterprises or has  
404 denied such request for a waiver; and shall allow a contracting agency to file a complaint  
405 with the director pursuant to subsection (l) of this Code section in the event a contractor  
406 is failing or has failed to comply with the requirements of participation by minority and  
407 women owned business enterprises set forth in the state contract where no waiver has  
408 been granted.

409 (2) The rules and regulations promulgated pursuant to this paragraph regarding a  
410 utilization plan shall provide that when certified businesses have been identified within  
411 a utilization plan, a contractor shall attempt, in good faith, to utilize such certified  
412 businesses at least to the extent indicated. A contracting agency may require a contractor  
413 to indicate, within a utilization plan, what measures and procedures such contractor  
414 intends to take to comply with the provisions of this article but may not require, as a  
415 condition of, award of, or compliance with, a contract that a contractor utilize a particular  
416 certificate business in performance of the contract.

417 (3) Without limiting other grounds for the disqualification of bids or proposals on the  
418 basis of nonresponsibility, a contracting agency may disqualify the bid or proposal of a  
419 contractor as being nonresponsible for failure to remedy notified deficiencies contained  
420 in the utilization plan within a period of time specified in regulations promulgated by the  
421 director after receiving notification of such deficiencies from the contracting agency.  
422 When failure to remedy any notified deficiency in the utilization plan is a ground for  
423 disqualification, such failure and all other grounds for disqualification shall be stated in  
424 writing by the contracting agency. When the contracting agency states that a failure to  
425 remedy any notified deficiency in the utilization plan is a ground for disqualification, the  
426 contractor shall be entitled to an administrative hearing, on record, involving all grounds  
427 stated by the contracting agency. Such hearing shall be conducted by the appropriate  
428 authority of the contracting agency to review the determination of disqualification.

429 (i) When it appears that a contractor cannot, after a good faith effort, comply with the  
430 requirements of participation by minority and women owned business enterprises set forth  
431 in a particular state contract, a contractor may file a written application with the contracting  
432 agency requesting a partial or total waiver of such participation requirements, setting forth  
433 the reasons for such contractor's inability to meet any or all of such participation  
434 requirements together with an explanation of the efforts undertaken by the contractor to  
435 obtain the required participation by minority and women owned business enterprises. In

436 implementing the provisions of this Code section, the contracting agency shall consider the  
437 number and types of minority and women owned business enterprises located in the region  
438 in which the state contract is to be performed, the total dollar value of the state contract,  
439 the scope of work to be performed, and the project size and term. If, based on such  
440 considerations, the contracting agency determines there is not a reasonable availability of  
441 contractors in the directory of certified businesses to furnish services for the project, it shall  
442 issue a waiver of compliance to the contractor. In making such determination, the  
443 contracting agency shall first consider the availability of other business enterprises located  
444 in the region and shall thereafter consider the financial ability of minority and women  
445 owned business enterprises located outside the region in which the contract is to be  
446 performed to perform the state contract.

447 (j) For purposes of determining a contractor's good faith effort to comply with the  
448 requirements of this Code section or to be entitled to a waiver therefrom, the contracting  
449 agency shall consider whether:

450 (1) The contractor has advertised in general circulation media, trade association  
451 publications, and minority focused and women focused media and, in such event, whether  
452 or not certified businesses which have been solicited by the contractor:

453 (A) Exhibited interest in submitting proposals for a particular project by attending a  
454 pre-bid conference; and

455 (B) Have responded in a timely fashion to the contractor's solicitations for timely  
456 competitive bid quotations prior to the contracting agency's bid date;

457 (2) There has been written notification to appropriate certified businesses that appear in  
458 the directory of certified businesses prepared pursuant to paragraph (6) of subsection (c)  
459 of Code Section 50-5-151; and

460 (3) The contractor can reasonably structure the amount of work to be performed under  
461 subcontracts in order to increase the likelihood of participation by certified businesses.

462 (k) In the event that a contracting agency fails or refuses to issue a waiver to a contractor  
463 as requested within 20 days after having made application therefor pursuant to subsection  
464 (i) of this Code section or if the contracting agency denies such application, in whole or in  
465 part, the contractor may file a complaint with the director setting forth the facts and  
466 circumstances giving rise to the contractor's complaint together with a demand for relief.  
467 The contractor shall serve a copy of such complaint upon the contracting agency by  
468 personal service or by certified mail, return receipt requested. The contracting agency shall  
469 be afforded an opportunity to respond to such complaint in writing.

470 (l) If, after the review of a utilization plan or periodic compliance report and after such  
471 contractor has been afforded an opportunity to respond to a notice of deficiency issued by  
472 the contracting agency in connection therewith, it appears that a contractor is failing or  
473 refusing to comply with the requirements of participation by minority and women owned  
474 business enterprises as set forth in the state contract, and no waiver from such participation  
475 requirements has been granted, the contracting agency may file a written complaint with  
476 the director pursuant to Code Section 50-5-159 setting forth the facts and circumstances  
477 giving rise to the contracting agency's complaint together with a demand for relief. The  
478 contracting agency shall serve a copy of such complaint upon the contractor by personal  
479 service or by certified mail, return receipt requested. The contractor shall be afforded an  
480 opportunity to respond to such complaint in writing.

481 50-5-156.

482 The director shall promulgate rules and regulations setting forth measures and procedures  
483 to require all contracting agencies, where practicable, feasible, and appropriate, to assess  
484 the diversity practices of contractors submitting bids or proposals in connection with the  
485 award of a state contract. Such rules and regulations shall take into account the nature of  
486 the articles, equipment, services, supplies, materials or labor being procured by the state  
487 agency; the method of procurement required to be used by a state agency to award the

488 contract and utilization plans required to be submitted pursuant to Code Section 50-5-155;  
489 and such other factors as the director deems appropriate or necessary to promote the award  
490 of state contracts to contractors having sound diversity practices. Such assessment shall  
491 not in any way permit the automatic rejection of a bid or procurement contract proposal  
492 based on lack of adherence to diversity practices. Each bid or proposal shall be analyzed  
493 on an individual per-bid or per-proposal basis with the contractor's diversity practices  
494 considered as only a part of a wider consideration of several factors when deciding to  
495 award or decline to award a bid or proposal.

496 50-5-157.

497 (a) The director shall promulgate rules and regulations providing for the establishment of  
498 a state-wide certification program, including rules and regulations governing the approval,  
499 denial, or revocation of any such certification.

500 (b) For the purposes of this article, the office of the state-wide advocate shall be  
501 responsible for verifying businesses as being owned, operated, and controlled by minority  
502 group members or women and for certifying such verified businesses.

503 (c)(1) The director shall work with all municipal corporations that have a municipal  
504 program for minority and women owned business enterprises to develop standards to  
505 accept state certification to meet the municipal corporation's certification standards for  
506 minority and women owned business enterprises.

507 (2) The director shall establish a procedure enabling the division to accept federal  
508 certification verification for applicants of minority and women owned business  
509 enterprises, provided that such standards comport with those required by the state  
510 program for minority and women owned business enterprises, in lieu of requiring the  
511 applicant to complete the state certification process. The director shall promulgate rules  
512 and regulations to set forth criteria for the acceptance of federal certification.

513 (d) Following application for certification pursuant to this Code section, the director shall  
514 provide the applicant with written notice of the status of the application, including notice  
515 of any outstanding deficiencies, within 30 days. Within 60 days of submission of a final  
516 completed application, the director shall provide the applicant with written notice of a  
517 determination by the office approving or denying such certification and, in the event of a  
518 denial, a statement setting forth the reasons for such denial. Upon a determination denying  
519 or revoking certification, the business enterprise for which certification has been so denied  
520 or revoked shall, upon written request made within 30 days from receipt of notice of such  
521 determination, be entitled to a hearing before an independent hearing officer designated for  
522 such purpose by the director. In the event that a request for a hearing is not made within  
523 such 30 day period, such determination shall be deemed to be final. The independent  
524 hearing officer shall conduct a hearing and, upon the conclusion of such hearing, issue a  
525 written recommendation to the director to affirm, reverse, or modify such determination  
526 of the director. Such written recommendation shall be issued to the parties. Within 30  
527 days, the director, by order, must accept, reject, or modify such recommendation of the  
528 hearing officer and set forth in writing the reasons therefor. The director shall serve a copy  
529 of such order and reasons therefor upon the business enterprise by personal service or by  
530 certified mail, return receipt requested.

531 (e) All certifications shall be valid for a period of three years.

532 50-5-158.

533 (a) Each contracting agency shall be responsible for monitoring state contracts under its  
534 jurisdiction and recommending matters to the office of the state-wide advocate regarding  
535 noncompliance with the provisions of this article so that such office may take such action  
536 as is appropriate to ensure compliance with the provisions of this article, the rules and  
537 regulations of the director issued pursuant to this article, and the contractual provisions  
538 required pursuant to this article. All contracting agencies shall comply with the rules and

539 regulations of the office of the state-wide advocate and are directed to cooperate with such  
540 office and to furnish to such office such information and assistance as may be required in  
541 the performance of its functions under this article.

542 (b) Each contracting agency shall provide to prospective bidders a current copy of the  
543 directory of certified businesses and a copy of the regulations.

544 (c) Each contracting agency shall report to the director the activities undertaken to promote  
545 employment of minority group members and women and promote and increase  
546 participation by certified businesses with respect to state contracts and subcontracts. Such  
547 reports shall be submitted periodically, but not less frequently than annually, as required  
548 by the director, and shall include such information as is necessary for the director to  
549 determine whether the contracting agency and contractor have complied with the purposes  
550 of this article, including, without limitation, a summary of all waivers of the requirements  
551 of subsections (i) and (j) of Code Section 50-5-155 allowed by the contracting agency  
552 during the period covered by the report, including a description of the basis of the waiver  
553 request and the rationale for granting any such waiver. Each contracting agency shall also  
554 include in such annual report whether or not it has been required to prepare a remedial  
555 action plan and, if so, such plan and the extent to which the contracting agency has  
556 complied with each element of such plan.

557 (d) The division shall issue an annual report which:

558 (1) Summarizes the report submitted by each contracting agency pursuant to subsection  
559 (c) of this Code section;

560 (2) Contains such comparative or other information as the director deems appropriate,  
561 including, but not limited to, goals compared to actual participation of minority and  
562 women owned business enterprises in state contracting, to evaluate the effectiveness of  
563 the activities undertaken by each such contracting agency to promote increased  
564 participation by certified businesses with respect to state contracts and subcontracts;

565 (3) Contains a summary of all waivers of the requirements of subsections (i) and (j) of  
566 Code Section 50-5-155 allowed by each contracting agency during the period covered by  
567 the report, including a description of the basis of the waiver request and the rationale for  
568 granting any such waiver;

569 (4) Describes any efforts to create a data base or other information storage and retrieval  
570 system containing information relevant to contracting with minority and women owned  
571 business enterprises; and

572 (5) Contains a summary of:

573 (A) All determinations of violations of this article by a contractor or a contracting  
574 agency made during the period covered by the annual report pursuant to Code  
575 Section 50-5-151; and

576 (B) The penalties or sanctions, if any, assessed in connection with such determinations  
577 and the rationale for such penalties or sanctions. Copies of the annual report shall be  
578 provided to the commissioner of administrative services, the Governor, the President  
579 of the Senate, the Speaker of the House of Representatives, the minority leader of the  
580 Senate, and the minority leader of the House of Representatives and shall also be made  
581 available to the public.

582 (e) Each contracting agency that substantially fails to meet the goals supported by the most  
583 current state-wide disparity study, as defined by regulation of the director, shall be required  
584 to submit to the director a remedial action plan to remedy such failure.

585 (f) If it is determined by the director that any contracting agency has failed to act in good  
586 faith to implement the remedial action plan pursuant to subsection (e) of this Code section  
587 within one year, the director shall provide written notice of such a finding, which shall be  
588 publicly available, and direct implementation of remedial actions to:

589 (1) Assure that sufficient and effective solicitation efforts to minority and women owned  
590 business enterprises are being made by such contracting agency;

591 (2) Divide contract requirements, when economically feasible, into quantities that will  
592 expand the participation of minority and women owned business enterprises;

593 (3) Eliminate extended experience or capitalization requirements, when  
594 programmatically and economically feasible, that will expand participation by minority  
595 and women owned business enterprises;

596 (4) Identify specific proposed contracts as particularly attractive or appropriate for  
597 participation by minority and women owned business enterprises with such identification  
598 to result from and be coupled with the efforts of paragraphs (1), (2), and (3) of this  
599 subsection; and

600 (5) Upon a finding by the director that an agency has failed to take affirmative measures  
601 to implement the remedial action plan and to follow any of the remedial actions set forth  
602 by the director, and in the absence of any objective progress toward the contracting  
603 agency's goals, require some or all of the contracting agency's procurement, for a  
604 specified period of time, to be placed under the direction and control of another agency  
605 or agencies.

606 50-5-159.

607 Upon receipt by the director of a complaint by a contracting agency that a contractor has  
608 violated the provisions of a state contract which have been included to comply with the  
609 provisions of this article or by a contractor that a contracting agency has violated such  
610 provisions or has failed or refused to issue a waiver where one has been applied for  
611 pursuant to subsection (i) of Code Section 50-5-155 or has denied such application, the  
612 director shall attempt to resolve the matter giving rise to such complaint. If efforts to  
613 resolve such matter to the satisfaction of all parties are unsuccessful, the director shall refer  
614 the matter, within 30 days of the receipt of the complaint, to the division's hearing officers.  
615 Upon conclusion of the administrative hearing, the hearing officer shall submit to the  
616 director his or her decision regarding the alleged violation of the contract and

617 recommendations regarding the imposition of sanctions, fines, or penalties. The director,  
618 within ten days of receipt of the decision, shall file a determination of such matter and shall  
619 cause a copy of such determination along with a copy of this article to be served upon the  
620 contractor by personal service or by certified mail, return receipt requested. The penalties  
621 imposed for any violation which is premised upon either a fraudulent or intentional  
622 misrepresentation by the contractor or the contractor's willful and intentional disregard of  
623 the requirements of participation by minority and women owned business enterprises  
624 included in the contract may include a determination that the contractor shall be ineligible  
625 to submit a bid to any contracting agency or be awarded any such contract for a period not  
626 to exceed one year following the final determination; provided, however, that if a  
627 contractor has previously been determined to be ineligible to submit a bid pursuant to this  
628 article, the penalties imposed for any subsequent violation, if such violation occurs within  
629 five years of the first violation, may include a determination that the contractor shall be  
630 ineligible to submit a bid to any contracting agency or be awarded any such contract for a  
631 period not to exceed five years following the final determination. The division shall  
632 maintain a website listing all contractors that have been deemed ineligible to submit a bid  
633 pursuant to this Code section and the date after which each contractor shall once again  
634 become eligible to submit bids.

635 50-5-160.

636 Every contracting agency shall include a provision in its state contracts expressly providing  
637 that any contractor that willfully and intentionally fails to comply with the requirements  
638 of participation by minority and women owned business enterprises as set forth in such  
639 state contract shall be liable to the contracting agency for liquidated or other appropriate  
640 damages and shall provide for other appropriate remedies on account of such breach. A  
641 contracting agency that elects to proceed against a contractor for breach of contract as  
642 provided in this Code section shall be precluded from seeking enforcement pursuant to

643 Code Section 50-5-159; provided, however, that the contracting agency shall include a  
644 summary of all enforcement actions undertaken pursuant to this Code section in its annual  
645 report submitted pursuant to subsection (c) of Code Section 50-5-158."

646 **SECTION 2.**

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