



**State of Georgia
Department of Administrative Services
State Purchasing Division**

Official Announcement # 22-01

FROM: Lisa Eason, Deputy Commissioner, DOAS

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DATE: July 28, 2021

TO: State of Georgia Procurement Professionals

RE: Small Business Definition

Effective **July 1, 2021**, Georgia's small business definition has been updated through **House Bill 611** passed by the General Assembly. The updated definition creates three tiers for small businesses and incorporates a minor increase to the qualifying criteria to be considered a small business as further described below.

Creating Small Business Tiers

Per Official Code of Georgia (O.C.G.A.) Section 50-5-121 (3), "small business" means a business which is independently owned and operated and:

- Tier One: has ten or fewer employees or \$1 million or less in gross receipts per year;
- Tier Two: has 100 or fewer employees or \$10 million or less in gross receipts per year; or
- Tier Three: has 300 or fewer employees or \$30 million or less in gross receipts per year.

For purposes of the State Purchasing Act, please note that the introduction of tiers is for **reporting purposes only** and does not impact the small businesses' participation in the state procurement process or application of state procurement rules.

Minor Increase to Qualifying Criteria

Previously, a business qualifying as a small business based on the number of employees was required to have *less than* 300 employees. Under the revised law, up to and including 300 employees qualifies as a small business. Similarly, a business qualifying as a small business based on annual gross receipts was required to have *less than* \$30 million in gross receipts per year. However, under the revised law, up to and including \$30 million in gross receipts per year qualifies as a small business.

NOTE: All buyers should use the revised definition of small business as defined in House Bill 611 when applying the price match option or awarding points as further described in [Georgia Procurement Manual](#), Section I.3.5.2. Small Business. If a company's small business status is not certain, the buyer may use [SPD-SP013 Georgia Resident Small Business Verification](#) form to obtain written confirmation from the company.

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Implementing this Change

1. **Updated Definition within Electronic Bidding Tools:** SPD has updated any references to the definition of small business within the following bidding tools: PeopleSoft Strategic Sourcing Module, eSource and Jaggaer Sourcing Director (University System of Georgia only).
2. **Updated Definition within Supplier Registration Portal:** SPD has updated the definition of small business and the applicable answer choices for suppliers registering to do business with the State of Georgia through the Team Georgia Marketplace™ Supplier Portal. Businesses registering for the first time will be presented with the updated definition. Existing registered businesses will be prompted to update their status the next time they log on to the supplier portal.
3. **Updated Forms:** SPD has updated the small business definition in the following form: SPD-SP042 Supplier General Information Worksheet (paper bids only). The updated form is available on our website at: <http://doas.ga.gov/state-purchasing/seven-stages-of-procurement/stage-3-solicitation-preparation>
4. **Future Release of Georgia Procurement Manual:** The small business definition will be updated in a future release of the Georgia Procurement Manual, which will be announced separately at that time. However, all buyers should use the revised definition of small business as defined in [House Bill 611](#) when applying the price match option or awarding points as further described in [Georgia Procurement Manual](#), Section I.3.5.2. Small Business.

This memo should be shared with all procurement staff. If there are any questions or concerns regarding this Official Announcement, please contact SPD at process.improvement@doas.ga.gov.