

**Senate Bill No. 161**

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Passed the Senate August 30, 2007

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*Secretary of the Senate*

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Passed the Assembly July 20, 2007

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*Chief Clerk of the Assembly*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2007, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Sections 1601 and 10765 of the Public Contract Code, relating to public contracts.

## LEGISLATIVE COUNSEL'S DIGEST

SB 161, Margett. Public works contracts: Internet submissions.

Existing public contract law authorizes public entities to adopt methods and procedures to receive bids on public works or other contracts over the Internet, as specified.

This bill would authorize public entities to receive supporting materials submitted pursuant to a public works contract over the Internet, as specified. This bill would require public entities that receive bids and supporting materials over the Internet to provide an electronic receipt to the contractor either by immediate transmission or by providing access to the contractor to an electronic file that contains the receipt, as specified.

The California State University Contract Law requires that bids on contracts of the university be sealed and accompanied by one of several specified forms of bidder's security in an amount equal to 10% of the amount of the bid. That law prohibits a bid from being considered if the bid does not contain this security.

This bill would specify that bids made under the California State University Contract Law may be submitted electronically as under the other provisions of the bill, but only if the bidder submits the required bidder's security within 24 hours after the opening of bids.

*The people of the State of California do enact as follows:*

SECTION 1. Section 1601 of the Public Contract Code is amended to read:

1601. (a) Any public entity may adopt methods and procedures to do any of the following:

(1) Receive bids on public works or other contracts over the Internet, but only if no bid can be opened before the bid deadline and all bids can be verified as authentic.

(2) Receive supporting materials submitted pursuant to a public works contract over the Internet. For purposes of this section, “supporting materials” includes, but is not limited to, payment requests, shop drawings, schedules, notices of claims, and certified payrolls.

(b) If a public entity allows or requires bids or supporting materials to be submitted over the Internet pursuant to this section, the public entity shall provide an electronic receipt to the contractor showing the date and time the submission was received. The public entity shall provide the electronic receipt to the contractor either by immediate transmission to the contractor or by providing the contractor access to an electronic file online that contains this information and that can be viewed and printed by the contractor.

SEC. 2. Section 10765 of the Public Contract Code is amended to read:

10765. (a) All bids shall be presented under sealed cover and accompanied by one of the following forms of bidder’s security: cash, a cashier’s check, certified check, or a bidder’s bond executed by an admitted surety insurer, made payable to the trustees. The security shall be in an amount equal to at least 10 percent of the amount bid. A bid shall not be considered unless one of the forms of bidder’s security is enclosed with it.

(b) A bid described in subdivision (a) may be submitted electronically in accordance with Section 1601, but only if the bidder submits the bidder’s security required by subdivision (a) within 24 hours after the opening of bids.

Approved \_\_\_\_\_, 2007

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*Governor*