

Introduced by Senator Block

February 21, 2013

An act to amend Section 10504.5 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 502, as amended, Block. University of California: bidding requirements.

Existing law requires the Regents of the University of California, except as specified, to let any contract for a project to the lowest responsible bidder. Existing law also provides that where the Regents of the University of California are of the view that a project of \$100,000 or less does not require the application of all provisions of law relating to competitive bidding by the university, the regents shall solicit bids in writing and award the work to the lowest responsible bidder or reject all bids.

This bill would raise ~~the~~ *this* dollar threshold for the cost of a project to ~~\$600,000 and require the regents, on a 2-year basis, to adjust that amount upward or downward to reflect the percentage change in the California Construction Index, as provided \$1,000,000.~~

Existing law, until January 1, 2017, establishes a pilot program to authorize all campuses of the University of California, including the medical centers, to award best value contracts based on best value procedures, as specified, for projects over \$1,000,000. Existing law requires the University of California, for purposes of this pilot program, to establish a procedure for the prequalification of bidders, invite prequalified bidders to submit sealed bids as part of a solicitation for

bids, and to award the contract to the bidder whose bid is determined to be the best value to the university.

The bill would require the Regents of the University of California, with respect to projects that do not require the application of all competitive bidding provisions, to establish a procedure to qualify and rate a bidder for work to be awarded when the cost of the project exceeds \$400,000 but does not exceed \$1,000,000, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

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

1 SECTION 1. Section 10504.5 of the Public Contract Code is
 2 amended to read:
 3 10504.5. (a) Where the nature of the work, in the opinion of
 4 ~~the regents~~ *Regents of the University of California*, is such that the
 5 application of all of the provisions of this chapter in connection
 6 with that work is not required, and the cost of the project does not
 7 exceed ~~six hundred thousand~~ *one million* dollars ~~(\$600,000)~~
 8 *(\$1,000,000)*, the regents shall solicit bids in writing and shall
 9 award the work to the lowest responsible bidder or reject all bids.
 10 ~~(b) On January 1, 2016, and biennially thereafter, the project~~
 11 ~~cost limit shall be adjusted upward or downward by the regents to~~
 12 ~~reflect the percentage change in the annual California Construction~~
 13 ~~Index as used by the Department of General Services. The amount~~
 14 ~~shall be rounded off to the nearest one-thousand-dollar (\$1,000)~~
 15 ~~figure.~~
 16 *(b) (1) The Regents of the University of California shall*
 17 *establish a procedure to qualify and rate a bidder for work to be*
 18 *awarded pursuant to subdivision (a) when the cost of the project*
 19 *exceeds four hundred thousand dollars (\$400,000) but does not*
 20 *exceed one million dollars (\$1,000,000).*
 21 *(2) The procedures shall require a bidder to complete and*
 22 *submit a qualification questionnaire. The qualification*
 23 *questionnaire shall cover, at a minimum, the issues covered by the*
 24 *Model Prequalification Questionnaire developed in 1999 by the*
 25 *Department of Industrial Relations pursuant to subdivision (a) of*
 26 *Section 20101. The procedures shall also require a bidder to*
 27 *complete and submit a financial statement, unless the bidder is a*
 28 *contractor who has qualified as a Small Business Administration*

1 *entity pursuant to paragraph (1) of subdivision (d) of Section 14837*
2 *of the Government Code. A bidder who is required to complete*
3 *and submit a qualification questionnaire shall include the general*
4 *contractor and, if utilized, the electrical, mechanical, and plumbing*
5 *subcontractor, except that the nonqualification of a subcontractor*
6 *shall not disqualify an otherwise qualified contractor.*

7 *(3) Each campus or facility shall adopt and apply a uniform*
8 *system of rating a bidder on the basis of the completed qualification*
9 *questionnaire and, if available, financial statements to determine*
10 *the minimum requirements permitted for qualification to submit*
11 *a bid. Each campus or facility may process qualification*
12 *questionnaires and financial statements on a quarterly basis to*
13 *qualify a prospective bidder for a period of one calendar year*
14 *from the date of qualification.*

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