

ASSEMBLY BILL

No. 2548

Introduced by Assembly Member Cox
(Coauthor: Assembly Member Steinberg)
(Coauthors: Senators Johannessen, Johnston, and Ortiz)

February 24, 2000

An act to add Section 12751.3 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2548, as introduced, Cox. Municipal utility districts: purchases.

The Municipal Utility District Act generally requires the purchase of supplies and materials by a municipal utility district to be let by contract to the lowest responsible bidder when the expenditure is in excess of \$25,000, or, in any district with a population of 250,000 or more, in excess of \$50,000, with annual adjustments to those dollar limits.

This bill would authorize the board of a district that has owned and operated an electric distribution system for at least 8 years and has a population of 250,000 or more, to provide for the purchase of supplies and materials, when the expenditure required exceeds \$50,000, by contract let in accordance with best value acquisition, as defined, policies adopted by the board.

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

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

1 SECTION 1. Section 12751.3 is added to the Public
2 Utilities Code, to read:

3 12751.3. (a) Notwithstanding Section 12751, the
4 board of a district that has owned and operated an electric
5 distribution system for at least eight years and has a
6 population of 250,000 or more may provide for the
7 purchase of supplies and materials, when the expenditure
8 required exceeds fifty thousand dollars (\$50,000), by
9 contract let in accordance with best value acquisition
10 policies adopted by the board pursuant to this section.
11 The board may authorize the general manager to act for
12 the board in determining a best value bidder in
13 accordance with best value acquisition policies and to
14 award a contract to that bidder.

15 (b) The best value acquisition policies adopted
16 pursuant to subdivision (a) shall consider, but not be
17 limited to, all of the following:

18 (1) Price and service level proposals that reduce the
19 district’s overall operating costs.

20 (2) Supplies and materials standards that support the
21 district’s strategic supplies and materials acquisition and
22 management program direction.

23 (3) A procedure for protest and resolution.

24 (4) Any other factors the board determines to be
25 relevant.

26 (c) For purposes of this section, “best value
27 acquisition” means a competitive procurement process
28 whereby the award of a contract for supplies and
29 materials may take into consideration any of the following
30 factors:

31 (1) The total cost to the district of its use or
32 consumption of supplies and materials.

33 (2) The operational cost or benefit incurred by the
34 district as a result of contract award.

35 (3) The value to the district of vendor-added services.

36 (4) The quality, effectiveness, and innovation of
37 supplies, materials, and services.

38 (5) The reliability of delivery or installation schedules.



1 (6) The terms and conditions of product warranties
2 and vendor guarantees.

3 (7) The financial stability of the vendor.

4 (8) The vendor's quality assurance program.

5 (9) The vendor's experience with the provision of
6 supplies, material, and services.

7 (10) The consistency of the vendor's proposed
8 supplies, materials, and services with the district's overall
9 supplies and materials procurement program.

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12 CORRECTIONS

13 **Heading — Line 3.**

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