

Assembly Bill No. 117

Passed the Assembly August 18, 2008

Chief Clerk of the Assembly

Passed the Senate August 5, 2008

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2008, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 20211 and 20301 of, and to add Section 20916.1 to, the Public Contract Code, and to amend Section 103222 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 117, Beall. Transportation authorities and districts: contracts.

(1) Existing law establishes bridge and highway districts and various regional transportation authorities and transit districts, including the Santa Clara Valley Transportation Authority, the San Mateo County Transit District, the Alameda-Contra Costa Transit District, and the Golden Gate Bridge, Highway and Transportation District, and prescribes the powers and duties of each, including procedures for awarding contracts and procurement. Existing law, with respect to the purchases of supplies, equipment, and materials by bridge and highway districts that exceed \$20,000, requires the contract to be let to the lowest responsible bidder, and, with respect to purchases by other authorities and districts that exceed \$25,000, requires the contract to be let to the lowest responsible bidder. Existing law, regarding the Santa Clara Valley Transportation Authority, the Alameda-Contra Costa Transit District, and the Golden Gate Bridge, Highway and Transportation District, requires a notice requesting bids to be published in a newspaper of general circulation.

This bill instead would require contracts of those specified entities under which the expenditure for the purchase of supplies, equipment, and materials exceeds \$100,000, to be let to the lowest responsible bidder or to the responsible bidder who submits a proposal that provides the best value, as defined. The bill also would require the authority or district, and the Golden Gate Bridge, Highway and Transportation District, to the extent practicable, to obtain a minimum of 3 quotations, either written or oral, that permit prices and terms to be compared, whenever the expenditure required for the purchase of supplies, equipment, or materials exceeds \$2,500, but does not exceed \$100,000.

With respect to the San Mateo County Transit District, the bill would require a notice requesting bids be published in a newspaper

of general circulation, and would increase the authority of the general manager to act for the board when the expenditure is less than \$100,000.

By expanding the duties of a local agency, this bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

SECTION 1. Section 20211 of the Public Contract Code is amended to read:

20211. (a) The purchase of all supplies, equipment, and materials, when the expenditure required exceeds one hundred thousand dollars (\$100,000), shall be by contract let to the lowest responsible bidder, or in the district's discretion, to the responsible bidder who submitted a proposal that provides the best value to the district on the basis of the factors identified in the solicitation. "Best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(b) The district shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds two thousand five hundred dollars (\$2,500), but does not exceed one hundred thousand dollars (\$100,000).

(c) The construction of facilities and works, when the expenditure exceeds ten thousand dollars (\$10,000), shall be by contract let to the lowest responsible bidder.

(d) Notice requesting bids shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before bids are received. The board may reject any and all bids and readvertise in its discretion.

SEC. 2. Section 20301 of the Public Contract Code is amended to read:

20301. (a) The purchase of all supplies, equipment, and materials, when the expenditure required exceeds one hundred thousand dollars (\$100,000), shall be by contract let to the lowest responsible bidder, or in the authority's discretion, to the responsible bidder who submitted a proposal that provides the best value to the authority on the basis of the factors identified in the solicitation. "Best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(b) The authority shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds two thousand five hundred dollars (\$2,500), but does not exceed one hundred thousand dollars (\$100,000).

(c) Notice requesting bids shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before the bids are received. The board may reject any and all bids and readvertise at its discretion.

SEC. 3. Section 20916.1 is added to the Public Contract Code, to read:

20916.1. (a) Notwithstanding Section 20916, the purchase of all supplies, equipment, and materials by the Golden Gate Bridge, Highway and Transportation District, when the expenditure required exceeds one hundred thousand dollars (\$100,000), shall be by contract let to the lowest responsible bidder, or in the district's discretion, to the responsible bidder who submitted a proposal that provides the best value to the district on the basis of the factors identified in the solicitation. "Best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(b) To the extent practicable, the district shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds two

thousand five hundred dollars (\$2,500), but does not exceed one hundred thousand dollars (\$100,000).

(c) Notice requesting bids shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before the bids are received. The board may reject any and all bids and readvertise at its discretion.

SEC. 4. Section 103222 of the Public Utilities Code is amended to read:

103222. (a) The purchase of all supplies, equipment, and materials, when the expenditure required exceeds one hundred thousand dollars (\$100,000), shall be, by contract, let to the lowest responsible bidder, or in the district's discretion, to the responsible bidder who submitted a proposal that provides the best value to the district on the basis of the factors identified in the solicitation. "Best value" means the overall combination of quality, price, and other elements of a proposal that, when considered together, provide the greatest overall benefit in response to the requirements described in the solicitation documents.

(b) The district shall obtain a minimum of three quotations, either written or oral, that permit prices and terms to be compared whenever the expected expenditure required for the purchase of supplies, equipment, or materials exceeds two thousand five hundred dollars (\$2,500), but does not exceed one hundred thousand dollars (\$100,000).

(c) Where the expenditure required by the bid price is less than one hundred thousand dollars (\$100,000), the general manager may act on behalf of the board. When acting pursuant to this subdivision, the general manager shall, upon the board's request, notify the board within 30 days of any action taken on behalf of the board.

(d) Notice requesting bids required by the section shall be published at least once in a newspaper of general circulation, which publication shall be made at least 10 days before the bids are received. The board may reject any and all bids and readvertise at its discretion.

SEC. 5. Section 2 of this act, which amends Section 20301 of the Public Contract Code, Section 3 of this act, which adds Section 20916.1 to the Public Contract Code, and Section 4 of this act, which amends Section 103222 of the Public Utilities Code, shall

apply solely to the procurement of supplies, equipment, and materials, and shall not apply to construction contracts.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

Approved _____, 2008

Governor