

ASSEMBLY BILL

No. 654

Introduced by Assembly Member Maze

February 21, 2007

An act to amend Sections 20122 and 20131 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 654, as introduced, Maze. Contracting: counties.

(1) Existing law requires counties to comply with certain procedures in soliciting and evaluating bids and awarding contracts for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement. Under existing law, if the estimated cost of construction of specified types of projects exceeds \$4,000, the work is required to be done by contract, except that in counties containing a population of 500,000 or over, the work need not be done by contract if the estimated cost is less than \$6,500.

This bill would change that \$6,500 amount to \$16,500, and require that increased amount to be adjusted for inflation, as provided.

(2) Existing law provides that counties that employ purchasing agents, as specified, may exempt, in specified situations, the purchasing agents from certain mandatory procedures in soliciting and evaluating bids and awarding contracts.

This bill would provide that in counties that contain a population of 500,000 or more and that employ purchasing agents, the counties may exempt the purchasing agents from certain mandatory procedures in soliciting and evaluating bids and awarding contracts when the materials and supplies used in the construction and repair of public works are estimated as costing not more than \$8,500, an increase from \$3,500.

This bill also would require that increased amount to be adjusted for inflation, as provided.

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 20122 of the Public Contract Code is
 2 amended to read:
 3 20122. (a) In counties containing a population of 500,000 or
 4 over, the work referred to in Section 20121 need not be done by
 5 contract if the estimated cost thereof is less than ~~six thousand five~~
 6 ~~hundred dollars (\$6,500)~~ *sixteen thousand five hundred dollars*
 7 *(\$16,500)*, exclusive of the estimated cost of materials or supplies
 8 to be furnished pursuant to *subdivision (b) of Section 20133 20131*.
 9 (b) *For each calendar year beginning on or after January 1,*
 10 *2008, the county shall recompute the maximum cost amount set*
 11 *forth in subdivision (a). That computation shall be made as follows:*
 12 (1) *The Department of Industrial Relations shall transmit*
 13 *annually to the board of supervisors of each county containing a*
 14 *population in excess of 500,000 persons the percentage change in*
 15 *the California Consumer Price Index for all items from June of*
 16 *the prior calendar year to June of the current year, no later than*
 17 *August 1 of the current calendar year.*
 18 (2) *The county shall compute an inflation adjustment factor by*
 19 *adding 100 percent to that portion of the percentage change figure*
 20 *which is furnished pursuant to paragraph (1) and dividing the*
 21 *result by 100.*
 22 (3) *The county shall multiply the maximum cost amount in*
 23 *subdivision (a) for the preceding calendar year by the inflation*
 24 *adjustment factor determined in paragraph (2), and round off the*
 25 *resulting products to the nearest one dollar (\$1).*
 26 SEC. 2. Section 20131 of the Public Contract Code is amended
 27 to read:
 28 20131. Counties ~~which~~ *that* employ purchasing agents may:
 29 (a) Authorize the agent to employ state-licensed independent
 30 contractors and purchase materials, furnishings, and supplies used
 31 in the construction or repair of public works estimated as costing
 32 not more than six thousand five hundred dollars (\$6,500) without

1 the formality of obtaining bids, letting contracts, preparing
2 specifications, and the other things required by this article.

3 (b) (1) In counties containing a population of 500,000 or more,
4 authorize the agent to purchase materials and supplies used in the
5 construction or repair of public works estimated as costing not
6 more than ~~three thousand five hundred dollars (\$3,500)~~ *eight*
7 *thousand five hundred dollars (\$8,500)* without the formality of
8 obtaining bids, letting contracts, preparing specifications, and the
9 other things required by this article.

10 (2) *For each calendar year beginning on or after January 1,*
11 *2008, the county shall recompute the maximum cost amount set*
12 *forth in subdivision (a). That computation shall be made as follows:*

13 (A) *The Department of Industrial Relations shall transmit*
14 *annually to the board of supervisors of each county the percentage*
15 *change in the California Consumer Price Index for all items from*
16 *June of the prior calendar year to June of the current year, no*
17 *later than August 1 of the current calendar year.*

18 (B) *The county shall compute an inflation adjustment factor by*
19 *adding 100 percent to that portion of the percentage change figure*
20 *which is furnished pursuant to paragraph (1) and dividing the*
21 *result by 100.*

22 (C) *The county shall multiply the maximum cost amount in*
23 *subdivision (a) for the preceding calendar year by the inflation*
24 *adjustment factor determined in paragraph (2), and round off the*
25 *resulting products to the nearest one dollar (\$1).*

26 (c) (1) Authorize the agent to purchase or contract for medical
27 or surgical equipment or supplies, or for professional services, for
28 a county hospital without competitive bidding, so long as an
29 appropriation for the costs of those purchases or contracts is
30 included in the county budget.

31 ~~As~~

32 (2) *As used in this subdivision, “medical or surgical equipment*
33 *or supplies” means only equipment or supplies commonly,*
34 *necessarily, and directly used by or under the direction of a*
35 *physician and surgeon in caring for or treating a patient in a*
36 *hospital.*

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