

## Senate Bill No. 1613

### CHAPTER 357

An act to add Section 136.6 to the Streets and Highways Code, relating to public contracts.

[Approved by Governor September 26, 2008. Filed with Secretary of State September 26, 2008.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 1613, Margett. Department of Transportation: contracts.

Existing law generally requires contracts for public works to be awarded pursuant to various procedures in the State Contract Act. Existing law exempts certain types of contracts awarded by the Department of Transportation from the State Contract Act, including contracts for major damage mitigation, equipment leasing or renting, and removal or relocation of structures or improvements on highway rights-of-way. These exempt contracts are generally required to be awarded to the lowest responsible bidder after competitive bidding on any reasonable notice prescribed by the department, but only if the estimated amount of the contract exceeds \$2,500. Exempt contracts up to and including \$2,500 are not subject to those alternative bidding procedures.

This bill would provide that exempt contracts up to and including \$25,000 for the leasing or renting of operated heavy highway equipment for state highway maintenance purposes are also not subject to those alternative bidding procedures.

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

SECTION 1. Section 136.6 is added to the Streets and Highways Code, to read:

136.6. (a) The department may enter into contracts not exceeding twenty-five thousand dollars (\$25,000) for the leasing and renting of operated heavy highway equipment for state highway maintenance purposes, which contracts are not subject to the State Contract Act pursuant to subdivision (a) of Section 136.5, and the department is not required to comply with the procedures described in subdivision (a) of that section relative to those contracts. Contracts exceeding twenty-five thousand dollars (\$25,000) for the leasing and renting of operated heavy highway equipment for state highway maintenance purposes shall be subject to the procedures described in subdivision (a) of Section 136.5.

(b) For purposes of this section, "operated heavy highway equipment" shall mean bulldozers, grinders, loaders, pavers, oilers, rollers, excavators,

truck tractors and trailers, fork lifts, personnel lifts, sweepers, and water tankers that include within the leasing or rental costs the cost of the qualified operator of the equipment.

(c) This section shall not apply to contracts for the leasing or renting of operated heavy highway equipment for emergency work, which are governed by subdivision (b) of Section 136.5. This section shall not apply to the leasing or renting of operated heavy highway equipment to be utilized for new highway construction.