

AMENDED IN SENATE APRIL 9, 2012

SENATE BILL

No. 1068

Introduced by Senator Rubio

February 13, 2012

An act to amend Section 20311 of the Public Contract Code, *and to repeal and add Section 102222 of the Public Utilities Code*, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 1068, as amended, Rubio. Local Agency Public Construction Act: Golden Empire Transit ~~District~~. *District: Sacramento Regional Transit District.*

Existing law, the Local Agency Public Construction Act, with respect to the purchase by the Golden Empire Transit District of supplies, equipment, and materials that exceed \$10,000 or any single purchase of fuels exceeding \$15,000, requires the contract to be let to the lowest responsible bidder. Existing law requires the Golden Empire Transit District to publish a notice requesting bids to be published in a newspaper of general circulation, as provided.

Existing law requires the Sacramento Regional Transit District to award contracts for the purchase of supplies, equipment, and materials in excess of \$40,000 to the lowest bidder after competitive bidding, except when an emergency is declared by the board, as specified.

This bill instead would require contracts of the Golden Empire Transit District *and the Sacramento Regional Transit District* for the purchase of supplies, equipment, and materials that exceed \$100,000 to be let to the lowest responsible bidder or, in the district's discretion, to the responsible bidder that submits a proposal that provides the best value, as defined. This bill would, *with regard to the Golden Empire Transit*

District, remove the requirement that a single purchase of fuels exceeding \$15,000 be let to the lowest responsible bidder. ~~This bill and~~ would revise the notice requirement to require that notice requesting bids be published at least once in a newspaper of general circulation and on the district’s procurement Internet Web site, as provided. This bill also would require ~~the district~~ *both districts*, 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 expected expenditure required for the purchase of supplies, equipment, or materials exceeds ~~\$2,500, a specified minimum amount~~ but does not exceed \$100,000. By expanding the duties of a local agency, this bill would impose a state-mandated local program.

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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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

- 1 SECTION 1. Section 20311 of the Public Contract Code is
- 2 amended to read:
- 3 20311. (a) (1) The construction of facilities and works, when
- 4 the expenditure required exceeds ten thousand dollars (\$10,000),
- 5 shall be by contract let to the lowest responsible bidder.
- 6 (2) Notice requesting bids shall be published at least once in a
- 7 newspaper of general circulation, which publication shall be made
- 8 at least 10 days before bids are received. The board may reject any
- 9 and all bids and readvertise in its discretion.
- 10 (3) When the expected procurement required exceeds one
- 11 thousand dollars (\$1,000), the board shall seek a minimum of three
- 12 quotations, either written or oral, which permit prices and other
- 13 terms to be compared.
- 14 (b) (1) The purchase of all supplies, equipment, and materials,
- 15 when the expenditure required exceeds one hundred thousand
- 16 dollars (\$100,000), shall be by contract let to the lowest responsible

1 bidder or, in the district’s discretion, to the responsible bidder that
2 submitted a proposal that provides the best value, as defined in
3 paragraph (2), to the district on the basis of the factors identified
4 in the solicitation.

5 (2) For the purposes of this section, “best value” means the
6 overall combination of quality, price, and other elements of a
7 proposal that, when considered together, provide the greatest
8 overall benefit in response to the requirements described in the
9 solicitation documents.

10 (3) Notice requesting bids shall be published at least once in a
11 newspaper of general circulation and on the district’s procurement
12 Internet Web site, which publication shall be made at least 10 days
13 before bids are received. The board may reject any and all bids
14 and readvertise in its discretion.

15 (4) To the extent practicable, when the expected procurement
16 required exceeds two thousand five hundred dollars (\$2,500) but
17 does not exceed one hundred thousand dollars (\$100,000), the
18 board shall seek a minimum of three quotations, either written or
19 oral, which permit prices and other terms to be compared.

20 (5) This subdivision applies solely to the procurement of
21 supplies, equipment, and materials and shall not apply to
22 construction contracts.

23 *SEC. 2. Section 102222 of the Public Utilities Code is repealed.*

24 ~~102222. Contracts for the purchase of supplies, equipment,
25 and materials in excess of forty thousand dollars (\$40,000) shall
26 be awarded to the lowest responsible bidder after competitive
27 bidding, except in an emergency declared by four-fifths vote of
28 the board of the district.~~

29 *SEC. 3. Section 102222 is added to the Public Utilities Code,
30 to read:*

31 *102222. (a) Except as provided in subdivision (b), contracts
32 for the purchase of supplies, equipment, and materials in excess
33 of one hundred thousand dollars (\$100,000) shall be by contract
34 let to the lowest responsible bidder or, in the district’s discretion,
35 to the responsible bidder that submitted a proposal that provides
36 the best value, as defined in paragraph (1), to the district on the
37 basis of the factors identified in the solicitation.*

38 (1) For the purposes of this section, “best value” means the
39 overall combination of quality, price, and other elements of a
40 proposal that, when considered together, provide the greatest

1 overall benefit in response to the requirements described in the
2 solicitation documents.

3 (2) To the extent practicable, when the expected procurement
4 required exceeds three thousand dollars (\$3,000) but does not
5 exceed one hundred thousand dollars (\$100,000), the board shall
6 seek a minimum of three quotations, either written or oral, which
7 permit prices and other terms to be compared.

8 (b) The provisions of subdivision (a) do not apply in the case
9 of an emergency declared by a four-fifths vote of the board of
10 directors.

11 (c) This section applies solely to the procurement of supplies,
12 equipment, and materials and shall not apply to construction
13 contracts.

14 ~~SEC. 2.~~

15 SEC. 4. If the Commission on State Mandates determines that
16 this act contains costs mandated by the state, reimbursement to
17 local agencies and school districts for those costs shall be made
18 pursuant to Part 7 (commencing with Section 17500) of Division
19 4 of Title 2 of the Government Code.