

AMENDED IN SENATE AUGUST 22, 2014  
AMENDED IN ASSEMBLY MARCH 28, 2014  
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1857**

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**Introduced by Assembly Member Frazier**

February 19, 2014

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An act to add and repeal Section ~~140.2 of the Streets and Highways~~ *10326.2 of the Public Contract Code*, relating to ~~transportation~~ *procurement*.

LEGISLATIVE COUNSEL'S DIGEST

AB 1857, as amended, Frazier. Department of ~~Transportation~~ *General Services*: vehicle and equipment procurement.

Existing law generally requires public contracts to be awarded by competitive bidding pursuant to procedures set forth in the Public Contract Code, subject to certain exceptions.

Until January 1, ~~2019~~, *2021*, this bill would authorize the *Department of General Services to purchase and equip heavy mobile fleet vehicles and special equipment for use by the Department of Transportation* ~~to purchase and equip heavy mobile fleet vehicles and special equipment~~ by means of best value procurement, as defined, subject to an annual limitation of \$20,000,000. *The bill would establish requirements for bid evaluation and protest procedures.* The bill would require the Department of General Services to prepare ~~an~~ *a prescribed* evaluation with regard to this process, ~~as specified~~. *to be posted on the Department of Transportation's Internet Web site.*

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 10326.2 is added to the Public Contract*  
2 *Code, to read:*  
3     *10326.2. (a) As used in this section, “best value procurement”*  
4 *means a contract award determined by objective criteria related*  
5 *to price, features, functions, and life-cycle costs that may include*  
6 *the following:*  
7     *(1) Total cost of ownership, including warranty, under which*  
8 *all repair costs are borne solely by the warranty provider, repair*  
9 *costs, maintenance costs, fuel consumption, and salvage value.*  
10     *(2) Product performance, productivity, and safety standards.*  
11     *(3) The supplier’s ability to perform to the contract*  
12 *requirements.*  
13     *(4) Environmental benefits, including reduction of greenhouse*  
14 *gas emissions, reduction of air pollutant emissions, or reduction*  
15 *of toxic or hazardous materials.*  
16     *(b) The department may purchase and equip heavy mobile fleet*  
17 *vehicles and special equipment for use by the Department of*  
18 *Transportation by means of best value procurement, using*  
19 *specifications and criteria developed in consultation with the*  
20 *Department of Transportation.*  
21     *(c) In addition to disclosure of the minimum requirements for*  
22 *qualification, the solicitation document shall specify what business*  
23 *performance measures in addition to price shall be given a*  
24 *weighted value. The department shall use a scoring method based*  
25 *on those factors and price in determining the successful bid. Any*  
26 *evaluation and scoring method shall ensure substantial weight is*  
27 *given to the contract price. The solicitation document shall provide*  
28 *for submission of sealed price information. Evaluation of all*  
29 *criteria other than price shall be completed before the opening of*  
30 *price information.*  
31     *(d) Upon written request of any bidder who has submitted a*  
32 *bid, notice of the proposed award shall be posted in a public place*  
33 *in the offices of the department at least 24 hours before awarding*  
34 *the contract or purchase order. If, before making an award, any*  
35 *bidder who has submitted a bid files a protest with the department*  
36 *against the awarding of the contract or purchase order on the*  
37 *ground that his or her bid should have been selected in accordance*  
38 *with the selection criteria in the solicitation document, the contract*

1 or purchase order shall not be awarded until either the protest  
2 has been withdrawn or the California Victim Compensation and  
3 Government Claims Board has made a final decision as to the  
4 action to be taken relative to the protest. Within 10 days after filing  
5 a protest, the protesting bidder shall file with the California Victim  
6 Compensation and Government Claims Board a full and complete  
7 written statement specifying in detail the ground of the protest and  
8 the facts in support thereof.

9 (e) The total value of vehicles and equipment purchased through  
10 best value procurement pursuant to this section shall be limited  
11 to twenty million dollars (\$20,000,000) annually.

12 (f) On or before June 1, 2020, the Department of General  
13 Services shall prepare an evaluation of the best value procurement  
14 pilot authorized by this section, including a recommendation on  
15 whether or not the process should be continued. The evaluation  
16 shall be posted on the Department of Transportation's Internet  
17 Web site on or before June 30, 2020.

18 (g) This section shall remain in effect only until January 1, 2021,  
19 and as of that date is repealed, unless a later enacted statute, that  
20 is enacted before January 1, 2021, deletes or extends that date.

21 ~~SECTION 1. Section 140.2 is added to the Streets and~~  
22 ~~Highways Code, to read:~~

23 ~~140.2. (a) Notwithstanding any other law, except Section~~  
24 ~~13332.09 of the Government Code, the department may purchase~~  
25 ~~and equip heavy mobile fleet vehicles and special equipment by~~  
26 ~~means of best value procurement. As used in this section, "best~~  
27 ~~value procurement" means a method of selecting a proposal based~~  
28 ~~on an evaluation of the following factors in addition to price:~~

29 ~~(1) Total cost of ownership, including warranty, under which~~  
30 ~~all repair costs are borne solely by the warranty provider, repair~~  
31 ~~costs, maintenance costs, fuel consumption, and salvage value.~~

32 ~~(2) Product performance, productivity, and safety standards.~~

33 ~~(3) The supplier's ability to perform to the contract requirements.~~

34 ~~(4) Environmental benefits, including reduction of greenhouse~~  
35 ~~gas emissions, reduction of air pollutant emissions, or reduction~~  
36 ~~of toxic or hazardous materials.~~

37 ~~(b) In addition to disclosure of the minimum requirements for~~  
38 ~~qualification, the solicitation document provided to a prospective~~  
39 ~~bidder shall specify that one or more of the factors described in~~  
40 ~~subdivision (a), as applicable to the bidder's product, shall be given~~

1 a weighted value. The department shall then utilize a scoring  
2 method based on those factors and price in determining the  
3 successful bid.  
4 (e) Best value procurements shall be limited to twenty million  
5 dollars (\$20,000,000) annually.  
6 (d) On or before June 1, 2018, the Department of General  
7 Services shall prepare an evaluation of the best value procurement  
8 pilot authorized by this section, including a recommendation on  
9 whether or not the process should be continued at the Department  
10 of Transportation. The evaluation shall be posted on the  
11 Department of Transportation's Internet Web site on or before  
12 June 30, 2018.  
13 (e) This section shall remain in effect only until January 1, 2019,  
14 and as of that date is repealed, unless a later enacted statute, that  
15 is enacted before January 1, 2019, deletes or extends that date.