

**Assembly Bill No. 1857**

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Passed the Assembly August 28, 2014

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*Chief Clerk of the Assembly*

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Passed the Senate August 27, 2014

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to add and repeal Section 10326.2 of the Public Contract Code, relating to procurement.

## LEGISLATIVE COUNSEL'S DIGEST

AB 1857, Frazier. Department of 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, 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 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 a prescribed evaluation with regard to this process, to be posted on the Department of Transportation's Internet Web site.

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

SECTION 1. Section 10326.2 is added to the Public Contract Code, to read:

10326.2. (a) As used in this section, "best value procurement" means a contract award determined by objective criteria related to price, features, functions, and life-cycle costs that may include the following:

- (1) Total cost of ownership, including warranty, under which all repair costs are borne solely by the warranty provider, repair costs, maintenance costs, fuel consumption, and salvage value.
- (2) Product performance, productivity, and safety standards.
- (3) The supplier's ability to perform to the contract requirements.
- (4) Environmental benefits, including reduction of greenhouse gas emissions, reduction of air pollutant emissions, or reduction of toxic or hazardous materials.

(b) The department may purchase and equip heavy mobile fleet vehicles and special equipment for use by the Department of Transportation by means of best value procurement, using specifications and criteria developed in consultation with the Department of Transportation.

(c) In addition to disclosure of the minimum requirements for qualification, the solicitation document shall specify what business performance measures in addition to price shall be given a weighted value. The department shall use a scoring method based on those factors and price in determining the successful bid. Any evaluation and scoring method shall ensure substantial weight is given to the contract price. The solicitation document shall provide for submission of sealed price information. Evaluation of all criteria other than price shall be completed before the opening of price information.

(d) Upon written request of any bidder who has submitted a bid, notice of the proposed award shall be posted in a public place in the offices of the department at least 24 hours before awarding the contract or purchase order. If, before making an award, any bidder who has submitted a bid files a protest with the department against the awarding of the contract or purchase order on the ground that his or her bid should have been selected in accordance with the selection criteria in the solicitation document, the contract or purchase order shall not be awarded until either the protest has been withdrawn or the California Victim Compensation and Government Claims Board has made a final decision as to the action to be taken relative to the protest. Within 10 days after filing a protest, the protesting bidder shall file with the California Victim Compensation and Government Claims Board a full and complete written statement specifying in detail the ground of the protest and the facts in support thereof.

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

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

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







Approved \_\_\_\_\_, 2014

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*Governor*