

ASSEMBLY BILL

No. 2030

**Introduced by Assembly Member Mullin
(Coauthor: Assembly Member Bonilla)**

February 16, 2016

An act to amend Sections 20221 and 20331 of the Public Contract Code, and to amend Section 103222 of the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2030, as introduced, Mullin. Transportation districts: contracts.

(1) Existing law requires contracts of the San Francisco Bay Area Transit District for the purchase of supplies, equipment, and materials to be let to the lowest responsible bidder or to the bidder who submits a proposal that provides best value, as defined, if the amount of the contract exceeds \$100,000 and requires the district to obtain a minimum of 3 quotations for those contracts between \$2,500 and \$100,000. Existing law requires the district, if the contract is for the construction of facilities and works, to let the contract to the lowest responsible bidder if the amount of the contract exceeds \$10,000 and to obtain a minimum of 3 quotations for those contracts between \$2,500 and \$10,000.

This bill would instead impose those bidding requirements with respect to district contracts for the purchase of supplies, equipment, and materials if the amount of the contracts exceeds \$150,000 and would require a minimum of 3 quotations for those contracts between \$5,000 and \$150,000. The bill would also impose those bidding requirements with respect to district contracts for the construction of facilities or equipment if the amount of the contract exceeds \$100,000 and would

require a minimum of 3 quotations for those contracts between \$5,000 and \$100,000.

(2) Existing law requires contracts of the San Mateo County Transit District for the purchase of supplies, equipment, and materials to be let to the lowest responsible bidder or to the bidder who submits a proposal that provides best value, as defined, if the amount of the contract exceeds \$100,000 and requires the district, to the extent practicable, to obtain a minimum of 3 quotations for those contracts between \$2,500 and \$100,000.

This bill would instead impose those bidding requirements if the amount of the contracts exceeds \$150,000 and would require a minimum of 3 quotations for contracts between \$5,000 and \$150,000. The bill would require that \$5,000 threshold to be adjusted to reflect changes in the Consumer Price Index.

Existing law requires the district, if the contract is for the construction of transit works or transit facilities, to let the contract to the lowest responsible bidder, except as provided, if the amount of the contract exceeds \$10,000.

The bill would instead impose that bidding requirement if the amount of the contract exceeds \$100,000 and would require that \$100,000 threshold to be adjusted to reflect changes in the Consumer Price Index.

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

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

1 SECTION 1. Section 20221 of the Public Contract Code is
 2 amended to read:
 3 20221. (a) The purchase of all supplies, equipment, and
 4 materials when the expenditure required exceeds one hundred *fifty*
 5 thousand dollars ~~(\$100,000)~~ *(\$150,000)* shall be by contract let to
 6 the lowest responsible bidder or, in the district’s discretion, to the
 7 responsible bidder who submitted a proposal that provides the best
 8 value to the district on the basis of the factors identified in the
 9 solicitation. “Best value” means the overall combination of quality,
 10 price, and other elements of a proposal that, when considered
 11 together, provide the greatest overall benefit in response to
 12 requirements described in the solicitation documents. The
 13 construction of facilities and works when the expenditure required
 14 exceeds ~~ten one hundred~~ thousand dollars ~~(\$10,000)~~ *(\$100,000)*

1 shall be by contract let to the lowest responsible bidder. Notice
2 requesting bids shall be published at least once in a newspaper of
3 general circulation. This publication shall be made at least 10 days
4 before the bids are received. The board may reject any and all bids
5 and readvertise in its discretion.

6 (b) Whenever the expected procurement required exceeds ~~two~~
7 ~~thousand five hundred~~ *five thousand* dollars (~~\$2,500~~) (*\$5,000*) and,
8 in the case of the construction of facilities and works, does not
9 exceed ~~ten one hundred~~ thousand dollars (~~\$10,000~~) (*\$100,000*) or,
10 in the case of the purchase of supplies, equipment, or materials,
11 does not exceed one hundred *fifty* thousand dollars (~~\$100,000~~);
12 (*\$150,000*), the district shall obtain a minimum of three quotations,
13 either written or oral, that permit prices and terms to be compared.

14 (c) Where the expenditure required by the bid price is less than
15 one hundred thousand dollars (\$100,000), the general manager
16 may act for the board. When acting pursuant to this subdivision,
17 the general manager shall, in each instance, promptly notify the
18 board of the action taken.

19 SEC. 2. Section 20331 of the Public Contract Code is amended
20 to read:

21 20331. (a) Contracts for the construction of transit works or
22 transit facilities in excess of ~~ten one hundred~~ thousand dollars
23 (~~\$10,000~~) (*\$100,000*) shall be awarded to the lowest responsible
24 bidder after competitive bidding, except in emergency declared
25 by the vote of seven members of the board. In the case of an
26 emergency, if notice for bids to let contracts will not be given, the
27 board shall comply with Chapter 2.5 (commencing with Section
28 22050).

29 (b) *The amount specified in subdivision (a) shall be adjusted*
30 *on January 1, 2018, to reflect the percentage change since January*
31 *1, 2016, in the California Consumer Price Index, and shall be*
32 *adjusted each January 1 thereafter to reflect the annual percentage*
33 *change in the California Consumer Price Index.*

34 SEC. 3. Section 103222 of the Public Utilities Code is amended
35 to read:

36 103222. (a) The purchase of all supplies, equipment, and
37 materials, when the expenditure required exceeds one hundred
38 *fifty* thousand dollars (~~\$100,000~~); (*\$150,000*), shall ~~be, by contract,~~
39 *be by contract* let to the lowest responsible bidder, or, in the
40 district's discretion, to the responsible bidder who submitted a

1 proposal that provides the best value to the district on the basis of
2 the factors identified in the solicitation. “Best value” means the
3 overall combination of quality, price, and other elements of a
4 proposal that, when considered together, provide the greatest
5 overall benefit in response to the requirements described in the
6 solicitation documents.

7 (b) To the extent practicable, the district shall obtain a minimum
8 of three quotations, either written or oral, that permit prices and
9 terms to be compared whenever the expected expenditure required
10 for the purchase of supplies, equipment, or materials exceeds ~~two~~
11 ~~thousand five hundred~~ *five thousand* dollars ~~(\$2,500), (\$5,000),~~
12 but does not exceed one hundred *fifty* thousand dollars ~~(\$100,000).~~
13 *(\$150,000)*.

14 (c) Notice requesting bids required by the section shall be
15 published at least once in a newspaper of general circulation and
16 on the district’s procurement Internet Web site, which publication
17 shall be made at least 10 days before the bids are received. The
18 board may reject any and all bids and readvertise at its discretion.

19 (d) This section applies solely to the procurement of supplies,
20 equipment, and materials, and shall not apply to construction
21 contracts.

22 (e) *The five-thousand-dollar (\$5,000) amount specified in*
23 *subdivision (a) shall be adjusted on January 1, 2018, to reflect the*
24 *percentage change since January 1, 2016, in the California*
25 *Consumer Price Index, and shall be adjusted each January 1*
26 *thereafter to reflect the annual percentage change in the California*
27 *Consumer Price Index.*