

AMENDED IN SENATE JULY 23, 1997  
AMENDED IN SENATE JULY 9, 1997  
AMENDED IN ASSEMBLY MARCH 31, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 749**

**Introduced by Assembly Member Papan**

February 26, 1997

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An act to amend Sections 10500, 10504, and 10505 of, and to add Sections 10504.5 and 10505.5 to, of the Public Contract Code, relating to the University of California.

LEGISLATIVE COUNSEL'S DIGEST

AB 749, as amended, Papan. University of California: bidding requirements.

(1) Existing law requires the Regents of the University of California, except as specified, to let any contract for a project to the lowest responsible bidder. For these purposes, "project" includes the erection, construction, alteration, repair, or improvement of any University of California structure, building, road, or other improvement that will exceed in cost a total of \$50,000.

This bill would require this amount to be adjusted at ~~2-year~~ 5-year intervals according to specified criteria. *It would specify that the cost of a project includes labor and materials for these purposes.*

(2) Existing law authorizes University of California projects to be done on a time and materials basis, by contract

upon informal bids, by University of California employees, by day labor under the direction of the regents, or by a combination thereof, in case of emergency due to an act of God, earthquake, flood, storm, fire, landslide, public disturbance, vandalism, or failure that causes damage to a university-owned building, university-owned real property, or any improvements thereon, when that work or those remedial measures are required immediately and are necessary to protect the public health, safety, and welfare.

This bill also would authorize projects to be done by contract upon informal bids when the emergency causes damage to a university-owned structure.

(3) Existing law authorizes the Regents of the University of California to perform projects with university employees if the regents deem that the award of a contract, the acceptance of bids, or the acceptance of further bids is not in the best interests of the university, provided that the estimated value of work to be so performed shall not exceed \$20,000, the project is for the erection, construction, alteration, repair, or improvement of experimental or diagnostic equipment, or the work is to be performed at a research facility located in a remote and sparsely populated area and the estimated cost does not exceed \$50,000. These provisions do not apply to the painting or repainting of a structure, building, road, or improvement of any kind if the estimated value of the painting or repainting work exceeds \$10,000.

This bill would expand the threshold for painting or repainting work to \$25,000. It would include specialized research equipment within the authorization. The bill would also expand the cost limitation on work to be performed by university employees to \$50,000, would require all of these amounts to be adjusted at ~~2-year~~ 5-year intervals according to specified criteria, and would delete the authorization relating to work at a research facility in a remote and sparsely populated area.

(4) This bill would provide that where the nature of the work, in the opinion of the Regents of the University of California, is such that the application of all of specified provisions of law relating to competitive bidding by the university is not required in connection with that work, and



the cost of the project does not exceed \$100,000, to be adjusted at ~~2-year~~ 5-year intervals according to specified criteria, the regents shall solicit bids in writing and shall award the work to the lowest responsible bidder or reject all bids.

(5) The bill would encourage the Regents of the University of California to use day labor represented by the duly authorized employee representative unless qualified individuals are not reasonably available, except to the extent this provision would conflict with existing labor agreements between individual campuses and their duly authorized employee representatives.

(6) The bill also would correct an incorrect cross-reference.

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 10500 of the Public Contract  
2 Code is amended to read:

3 10500. As used in this article, “project” includes the  
4 erection, construction, alteration, repair, or  
5 improvement of any University of California structure,  
6 building, road, or other improvement that will exceed in  
7 cost, *including labor and materials*, a total of fifty  
8 thousand dollars (\$50,000). ~~At two-year intervals, the~~  
9 ~~total cost limit shall be adjusted upward or downward to~~  
10 ~~reflect the percentage change in the Engineering News~~  
11 ~~Record California Construction Cost Index, rounded off~~  
12 ~~to the nearest one thousand dollars (\$1,000). *five-year*~~  
13 ~~intervals, the total cost limit shall be adjusted upward or~~  
14 ~~downward to reflect the change in the cost of public~~  
15 ~~works construction as determined by the Uniform Cost~~  
16 ~~Accounting Commission.~~

17 SEC. 2. Section 10504 of the Public Contract Code is  
18 amended to read:

19 10504. Except as otherwise provided in Section  
20 10504.5 or 10506, work on all projects shall be performed  
21 under contract awarded in accordance with Section  
22 10501, except that it may be done on a time and materials



1 basis, by contract upon informal bids, by University of  
2 California employees, by day labor under the direction of  
3 the regents, or by a combination thereof, in case of  
4 emergency due to an act of God, earthquake, flood, storm,  
5 fire, landslide, public disturbance, vandalism, or failure  
6 that causes damage to a university-owned building or  
7 structure, university-owned real property, or any  
8 improvements thereon, when that work or those  
9 remedial measures are required immediately and are  
10 necessary to protect the public health, safety, and  
11 welfare.

12 SEC. 3. Section 10504.5 is added to the Public  
13 Contract Code, to read:

14 10504.5. (a) Where the nature of the work, in the  
15 opinion of the regents, is such that the application of all  
16 of the provisions of this chapter in connection with that  
17 work is not required, and the cost of the project does not  
18 exceed one hundred thousand dollars (\$100,000), the  
19 regents shall solicit bids in writing and shall award the  
20 work to the lowest responsible bidder or reject all bids.

21 ~~(b) At two-year intervals, the total cost limit shall be~~  
22 ~~adjusted upward or downward to reflect the percentage~~  
23 ~~change in the Engineering News Record California~~  
24 ~~Construction Cost Index, rounded off to the nearest one~~  
25 ~~thousand dollars (\$1,000).~~

26 *(b) At five-year intervals, the total cost limit shall be*  
27 *adjusted upward or downward to reflect the change in*  
28 *the cost of public works construction as determined by*  
29 *the Uniform Cost Accounting Commission.*

30 SEC. 4. Section 10505 of the Public Contract Code is  
31 amended to read:

32 10505. (a) The Regents of the University of  
33 California may perform projects with university  
34 employees if the regents deem that the award of a  
35 contract, the acceptance of bids, or the acceptance of  
36 further bids is not in the best interests of the university,  
37 under either of the following circumstances:

38 (1) The estimated value of the project to be so  
39 performed shall not exceed fifty thousand dollars  
40 (\$50,000).



1 (2) The project is for the erection, construction,  
2 alteration, repair, or improvement of experimental,  
3 diagnostic, or specialized research equipment.

4 (b) This section does not apply to the painting or  
5 repainting of a structure, building, road, or improvement  
6 of any kind if the estimated value of the painting or  
7 repainting project exceeds twenty-five thousand dollars  
8 (\$25,000).

9 ~~(c) At two-year intervals, the total cost limit specified~~  
10 ~~in this section shall be adjusted upward or downward to~~  
11 ~~reflect the percentage change in the Engineering News~~  
12 ~~Record California Construction Cost Index, rounded off~~  
13 ~~to the nearest one thousand dollars (\$1,000).~~

14 *(c) At five-year intervals, the total cost limit shall be*  
15 *adjusted upward or downward to reflect the change in*  
16 *the cost of public works construction as determined by*  
17 *the Uniform Cost Accounting Commission.*

18 SEC. 5. Section 10505.5 is added to the Public  
19 Contract Code, to read:

20 10505.5. (a) For the purposes of Sections 10500,  
21 10504, 10504.5, and 10505, the Regents of the University of  
22 California are encouraged to use day labor represented  
23 by the duly authorized employee representative unless  
24 qualified individuals are not reasonably available.

25 (b) This section shall not be implemented to the  
26 extent it conflicts with existing labor agreements  
27 between individual campuses and their duly authorized  
28 employee representatives.

