

ASSEMBLY BILL

No. 1410

Introduced by Assembly Member Margett

February 26, 1999

An act to amend Sections 20150.9, 20150.10, and 20166 of the Public Contract Code, relating to local government contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 1410, as introduced, Margett. Public government contracts: rejection of bids.

Under the Local Agency Public Construction Act, counties of under 500,000 persons must comply with specified procedures for contracting for public projects. Cities must comply with a separate set of requirements. Counties and cities governed by these provisions may reject any bids presented and readvertise the project.

This bill would allow these counties and cities to reject bids for cause, as defined, and would make related changes.

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 20150.9 of the Public Contract
- 2 Code is amended to read:
- 3 20150.9. (a) In its discretion, the county may reject
- 4 *for cause* any bids presented. *For purposes of this section,*
- 5 *“cause” means any of the following:*

1 (1) *The bid exceeds the engineer’s estimate by 10*
2 *percent.*

3 (2) *The bid is shown to be nonresponsive.*

4 (3) *There is an apparent breach of law in the*
5 *submission of the bid.*

6 (b) If, after the first invitation for bids, all bids are
7 rejected, after reevaluating its cost estimates of the
8 project, the county shall abandon the project *for a period*
9 *of one year* or shall readvertise for bids in the manner
10 prescribed by this article. If after readvertising, the
11 county rejects all bids presented, the county may proceed
12 with the project by use of county personnel *in compliance*
13 *with Section 20150.10* or may readvertise. If two or more
14 bids are the same and the lowest, the county may accept
15 the one it chooses. If no bids are received, the county may
16 have the project done without further complying with
17 this article.

18 SEC. 2. Section 20150.10 of the Public Contract Code
19 is amended to read:

20 20150.10. Notwithstanding the provisions of Section
21 20150.9, on any project which is less than seventy-five
22 thousand dollars (\$75,000), if, after the first invitation for
23 bids, all bids are rejected, the county may, after
24 reevaluating its cost estimates of the project, pass a
25 resolution by a four-fifths vote of its board of supervisors
26 declaring that the project can be performed more
27 economically by county personnel, or that in its opinion
28 a contract to perform the project can be negotiated with
29 the original ~~bidders~~ *low bidder* at a lower price than that
30 in any of the bids, or the materials or supplies furnished
31 at a lower price in the open market. Upon adoption of the
32 resolution, it may have the project done in the manner
33 stated without further complying with this article.

34 SEC. 3. Section 20166 of the Public Contract Code is
35 amended to read:

36 20166. (a) In its discretion, the legislative body may
37 reject *for cause* any bids presented and readvertise. *For*
38 *purposes of this section, “cause” means any of the*
39 *following:*



1 (1) *The bid exceeds the engineer's estimate by 10*
2 *percent.*

3 (2) *The bid is shown to be nonresponsive.*

4 (3) *There is an apparent breach of law in the*
5 *submission of the bid.*

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7 (b) *If two or more bids are the same and the lowest,*
8 *the legislative body may accept the one it chooses. If no*
9 *bids are received, the legislative body may have the*
10 *project done without further complying with this*
11 *chapter.*

