

VOLUME 5, PART I

CHAPTER 3

PREPARING TO SOLICIT BIDS

INTRODUCTION

Before bids can be solicited, basic conditions required by University policies, delegations of authority, and federal and state regulations must be met. These conditions apply to competitive and informal bidding and negotiated contracting. (See Permission to Solicit Bids, [RD2.42](#).)

3.1 CONDITIONS PREREQUISITE TO BIDDING

References:

- California Coastal Act of 1976.
- California Code of Regulations, Title 24, California Building Standards Code.
- Permission to Solicit Bids (see [RD2.42](#)).
- UC CEQA Handbook, Procedural Handbook and Model Approach for Implementing the California Environmental Quality Act (CEQA), University of California, Office of Long-Range Planning, Office of the President, Oakland, CA, May 1991, revised February 1994.
- University policy: "Equal Opportunity in University Business Contracting" [Interim Policy] (see [FM1:5.1](#)).
- University policy: "Nondiscrimination on the Basis of Handicap" (see [FM1:5.1](#)).
- University policy: "Seismic Safety" (see [FM1:5.1](#)).

Before soliciting bids for any construction contract, the University's Designated Administrator must ensure that all of the following conditions are met:

1. The commitment of funds, the scope of construction, and equipment to be acquired conform to the project scope and cost itemization in the current approved Project Planning Guide and/or, for state-funded projects, the most recently approved DOF submittal; or conform to the project description in the case of minor capital improvement projects.
2. The bidding documents conform to those in the Facilities Manual (see FM4[II]) or modifications to the documents are approved by the Office of the General Counsel and Office of the President(see [II:2.2](#)).
3. For state-funded projects, the bidding documents have been approved by the Department of Finance and State Public Works Board, as applicable.
4. Funds are available in the estimated amount of the contract to be awarded.
5. The project complies with the most recent version of the "Amended University of California Procedures for Implementation of the California Environmental Quality Act."

6. The documents conform with fire & life safety requirements of the California Building Standards Code.
7. Independent certification is made that the design meets or exceeds energy regulations and standards (see [FM6:5.2.1](#)).
8. The project complies with the provisions of the California Coastal Act of 1976, if appropriate.
9. The documents conform with the University's seismic safety policy.
10. Procedures for providing disabled access are followed (see [FM3\[I\]:4.1](#)).
11. Drawings and specifications for licensed hospital facilities are approved and stamped by the Office of Statewide Health Planning and Development (OSHDP). OSHDP approves documents for the design and details of architectural, structural, mechanical, and electrical systems.
12. Drawings and Specifications for state-funded non-hospital related projects are approved and stamped by the Division of the State Architect for disabled access requirements.
13. State review of any required environmental document has been completed.

(See [FM3\[I\]:4](#) for more information on code compliance in regard to project design and construction.)

3.2 AVAILABILITY OF FUNDS

Before bids are solicited, the University accounting officer must certify that project funds are available in the plant account approved for the project or, in the case of state-funded projects, in the unallocated balances account. Signature for certification of fund availability is included on the Pre-Bid Capital Improvement Budget. The source and amount of funds must match the most recently approved Capital Improvement Budget (CIB) for the project. The approval authority for CIBs depends on the fund source and size of the project. Contact the Office of the President to determine authority.

3.2.1 State-Funded Projects

For state-funded projects, funds are frequently transferred from the state to the University in increments. For such projects, formal action by the State Department of Finance to "release" funds to the University and authorize proceeding with work is sufficient basis for signifying availability of funds. Upon approval to award the construction contract, funds in the unallocated balances account will be authorized for transfer into the plant account approved for the project.

3.2.2 Non-State-Funded Projects

Most non-state-funded projects must have funds physically transferred into the plant account to proceed with solicitation of bids. Exceptions are discussed below.

For externally financed projects, the Treasurer's Office must notify the Facility that funds are available. Regents' approval of external financing is not sufficient, as it does not mean that funds are immediately available.

Gift pledges (not yet-in-hand) are not an appropriate source of funds for the purposes of bid solicitation. Prior to solicitation of bids for a project with outstanding pledges, the following must occur: (1) The Regents have approved authorization for a standby loan and the Treasurer's Office has notified the Facility that funds are available, or (2) a cash advance from another lawfully available source is temporarily transferred into the plant account and reimbursed as gifts are received.

Some federally-funded projects require that bidding documents be reviewed by the appropriate federal agency for permission to advertise for bid. Refer to the agency agreement for the specific requirements.

3.3 CONCURRENT APPROVAL BY FUNDING AGENCY

3.3.1 State-Funded Projects

Capital projects funded by State capital appropriations require the submittal to, and approval by, the State Department of Finance (DOF) or State Public Works Board (SPWB) of the final, 100% complete bid documents package with all signatures and approvals by the Designated Campus Fire Marshal or the Division of the State Architect/Access Compliance. The project as detailed by the documents must be within the scope, budget and schedule as previously approved. The Facility submits the completed bid document package, including drawings and specifications, with supporting documentation that includes an explanatory cover letter, required state forms, project description, project Capital Improvement Budget, detailed cost estimate, component cost summary, area reconciliation, project schedule, and record of final EIR action (if pertinent) to the Office of the President for review and processing. Any bid alternates must be explicitly identified; alternates may not be bid legally without specific state approval of the individual alternates. The documents are transmitted to the DOF, with copies as required to other State agencies, for review and approval and authorization to proceed to bid. Following DOF approval, the Facility may begin the bidding phase. Upon receipt of bids and determination of the lowest responsible bidder, the Facility reports the bid results and apparent low responsible bidder to the Office of the President for transmittal to the DOF with a request for approval and authorization to award the contract. Contact the Office of the President for more detailed and updated information regarding submittal documentation and process or for clarification as necessary.

3.3.2 Lease-Revenue Bond-Funded Projects

Capital construction and capital equipment purchases for projects funded with State lease-revenue bonds (in which the State owns the facility and leases it to the University) require steps in addition to those outlined in [3.3.1](#) above. Prior to obtaining approval of the bid document package submittal, a proposed site lease, facility lease, and equipment lease (if applicable), and Regents authorization must be submitted to the SPWB for approval. These documents must be in place and approved by the SPWB prior to bid. In order to accomplish this, the Facility must first prepare and transmit to the Office of the President a legal description and site survey, and submit a Regents item requesting authorization to prepare and execute the leases and agreements.

Upon approval by The Regents, the Office of the President requests General Counsel to prepare the legal documents. The Office of the President coordinates and submits the necessary documents, prior to or in parallel with the bid document package submittal, to SPWB for review and action. The bid document package for a lease-revenue bond-funded project must be approved by the SPWB, rather than DOF. Upon approval by the SPWB of the leases and agreements and arrangements for interim financing, and upon approval by DOF of the bidding documents, the University is authorized to proceed to solicit bids. At the conclusion of the bidding phase, the Facility reports the bid results and apparent low responsible bidder to the Office of the President for transmittal to the DOF with a request for approval and authorization to award the contract (see [II:8.2.1](#)). Upon receipt of this authorization and interim financing, the contract can be awarded and work can proceed.

3.4 PROJECT FILE MAINTENANCE

The bid document package as submitted to, and approved by the State, must be the same as the bidding documents issued and must become part of the Facility's project file [see [RD1.3](#), Project File Contents, [FM3II:6](#), and [III:1.1.3](#)].

3.5 COMPLIANCE WITH STATE AND FEDERAL LAW OR REGULATION

On projects funded in whole or in part by the federal government, the rules of the funding agency must be reviewed for competitive bidding and public advertising requirements. For example, federal agencies may require competitive bidding with public advertising for projects with estimated construction costs lower than the threshold for competitive bidding set forth in public contract code section 10500. If federal requirements are more restrictive than University policy, the more restrictive requirements must be followed.

If the funding agency requires an affirmative action program as a condition for funding, then an affirmative action program that is in compliance with the funding agency's requirements must be included in the bidding documents and the contract documents.

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