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August 7, 2013

The Honorable Jim Frazier  
Chair, Assembly Committee on Accountability and Administrative Review  
1020 N Street, Room 357  
Sacramento, CA 95814

**RE: SB 502 (Block), as proposed to be amended**  
**Scheduled for Hearing in the Assembly Accountability and Administrative Review Committee**  
**on August 14, 2013**  
**Position: SUPPORT**

Dear Assembly Member Frazier:

On behalf of the University of California (UC), I am writing to convey our strong support for SB 502 (Block), legislation sponsored by the University to streamline competitive bidding procedures for certain small-scale capital projects. SB 502 would authorize the University to employ informal competitive bidding for projects costing less than \$1 million, facilitating project delivery and ultimately saving both time and taxpayer costs.

Under current law, UC must solicit formal bids in writing for projects equal to or exceeding \$100,000 in cost. Below this \$100,000 threshold, PCC § 10504.5 allows UC to employ streamlined bidding procedures under which UC must either award the project to the lowest responsible bidder, or reject all bids. Many projects falling between \$100,000 and \$1 million are considered urgent by our campuses, and UC loses precious time while the formal bidding process concludes. The rigidity of the formal bid process is burdensome for smaller projects with relatively tight schedules and modest budgets. The University also incurs the cost of multiple legal advertisements for these projects, costs which have become more expensive each year.

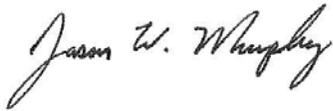
UC believes that should the informal competitive bid limit for UC's minor capital projects be increased to \$1 million, it would allow UC to deliver projects more quickly, with reduced administrative and construction costs; provide contracting flexibility for smaller jobs, as well as time and cost savings; and achieve savings through reduced resources spent on campus contract administration, documentation, and advertisement costs.

We also anticipate that the expanded use of informal competitive bidding will encourage smaller firms to participate in UC contracts. Many of these underutilized contractors do not pursue formally-bid projects, due to the stringent requirements and time-consuming nature of bid preparation. Increasing the

number of bidders would prove beneficial for UC, as it ensures competitive pricing for smaller projects. It may also improve the bid climate for UC's larger projects as well, as over time more contractors and bidders will gain familiarity with University procedures and policies, and thereby become more likely to participate on larger competitively bid projects.

UC believes that SB 502 will preserve the core principles of competitive bidding while streamlining the process for relatively small projects, yielding benefits in terms of reduced project delivery timelines and savings in overall costs. We appreciate your consideration of this important bill. Should you have any questions regarding this UC-sponsored measure, please don't hesitate to contact me at 445-5584.

Sincerely,



Jason Murphy  
Legislative Director

cc: Senator Marty Block  
Vice Chair and Members, Assembly Committee on Accountability and Administrative Review  
President Mark G. Yudof  
Provost Aimée Dorr  
Senior Vice President Daniel Dooley  
Associate Vice President and Director Steve Juarez