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June 12, 2014

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 amended June 11, 2014
Scheduled for Hearing in the Asm. Actbty & Admr Committee on June 18, 2014
Position: SUPPORT

Dear Assemblymember Frazier:

On behalf of the University of California (UC), I am writing to convey our strong support for SB 502 (Block), our sponsored measure to streamline competitive bidding procedures for certain small-scale capital projects. SB 502 would authorize the University to employ informal competitive bidding for projects with values up to \$750,000, facilitating project delivery and ultimately saving both time and taxpayer costs.

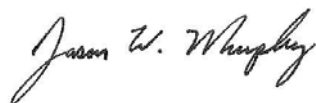
Under current law, UC must solicit formal bids in writing for projects equal to or exceeding \$100,000. Below this threshold, Public Contract Code §10504.5 allows UC to employ streamlined bidding procedures. Many projects falling between \$100,000 and \$750,000 are considered urgent by our campuses, 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. Were UC's informal bid limit for minor capital projects be increased to \$750,000, it would allow UC to deliver projects more quickly, with reduced administrative and construction 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.

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In closing, 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,

A handwritten signature in black ink that reads "Jason W. Murphy". The signature is written in a cursive style with a large initial "J" and "M".

Jason Murphy
Legislative Director

cc: Senator Block
Members, Assembly Accountability and Administrative Review Committee
President Janet Napolitano
Provost and Executive Vice President Aimée Dorr
Senior Vice President Daniel Dooley
Associate Vice President and Director Steve Juarez