



OFFICE OF THE PRESIDENT

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July 1, 2014

The Honorable Mike Gatto
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

RE: SB 502 (Block), as amended June 25th, 2014
Scheduled for Hearing in the Assembly Appropriations Committee on July 2, 2014
Position: SUPPORT

Dear Chair Gatto:

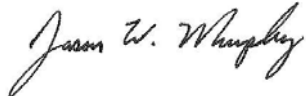
On behalf of the University of California (UC), I am writing to convey our strong support for SB 502 (Block), legislation sponsored by the University to streamline competitive bidding procedures for certain small-scale capital projects. SB 502 would authorize the University to employ informal competitive bidding for projects costing less than \$640,000, 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 in cost – a statutory threshold within the Public Contract Code that was last updated in 1997. 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 \$640,000 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. The University also incurs the cost of multiple legal advertisements for these projects, costs which have become more expensive every year.

SB 502 would raise the informal competitive bid limit for UC's smaller capital projects to \$640,000 – a figure which would place the University's threshold in close proximity to the informal-bidding thresholds applicable to the California State University and the Department of General Services. If approved, SB 502 would allow UC to deliver projects more quickly, with reduced administrative and construction costs.

UC believes 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

cc: Senator Marty Block
Members, Assembly Appropriations Committee
President Janet Napolitano
Provost and Executive Vice President Aimée Dorr
Executive Vice President Nathan Brostrom
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