

ACBO – Key elements in purchasing management to keep you out of trouble



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Bid Limits

- Public Contract Code, Article 41
Community Colleges
Sections 20560 – 20660
- 20650 “Application of Article: community college districts

PCC Section 20651 – \$76,700 bid limit

- Letting contracts; necessity of bids; security
- The governing board of any community college district shall let any contracts involving an expenditure of more than seventy six thousand seven hundred dollars (\$76,700) for any of the following:

PCC 20651 continued

- ◆ (1) The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district.
- ◆ (2) Services, except construction services.
- ◆ (3) Repairs, including maintenance as defined in Section 20656, that are not a public project as defined in subdivision (c) of Section 22002.

Annual Increase of bid limit

- Every year around January 1 the bid limit changes for:
 - ◆ the bid limit was raised to \$76,700
 - ◆ equipment, materials or supplies to be furnished, sold, or leased to the district.
 - ◆ (2) Services, except construction services.
 - ◆ (3) Repairs, including maintenance as defined in Section 20656 are increased

PCC 20651 \$15,000 bid limit

- The contract shall be given to the lowest responsible bidder who shall give security as the board requires, or else reject all bids.
 - ◆ (b) The governing board shall let any contract for a public project, as defined in subdivision (c) of Section 22002, involving an expenditure of fifteen thousand dollars (\$15,000) or more to the lowest responsible bidder who shall give security as the board requires, or else reject all bids.

Education Code 81641

- For security bids or proposals community college shall publish at least once a week for two weeks in some local newspaper of general circulation in the district

PCC 20651 Bid Security

- All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder's security:
 - ◆ (1) Cash.
 - ◆ (2) A cashier's check made payable to the community college district.
 - ◆ (3) A certified check made payable to the community college district.
 - ◆ (4) A bidder's bond executed by an admitted surety insurer, made payable to the community college district.

PCC 20651.5 Bidder's Questionnaire

- Each District can request that bidder's complete and submit a standardized questionnaire and financial statement in a form specified by the district, including a complete statement of the prospective bidder's financial ability and experience in performing public works.
- The questionnaire responses of prospective bidders and their financial statements shall not be deemed public records and shall not be open to public inspection.

PCC 20651.5 Bidders Questionnaire cont.

- Each District shall adopt and apply a uniform system of rating bidders on the basis of the completed questionnaires and financial statements, in order to determine the size of the contracts upon which each bidder shall be deemed financially qualified to bid.

PCC 20652: Piggybacks

- If this is in the best interest of the District.
- Allows a District to lease data-processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors, and other personal property in the manner in which the public corporation or agency is authorized by law to make the leases or purchases.

PCC 20652 Piggyback cont.

- Check with your District's Legal Counsel
- Language in the other agencies bid must state that this could be used by other agencies
- Board of Trustees must approve the purchase if over bid limits (varies by district)

Gov. Code 4526 Selection of Professional Services

- This code is specifically for:
 - ◆ Private architectural
 - ◆ Landscape architectural
 - ◆ Engineering
 - ◆ Environmental,
 - ◆ Land Survey
 - ◆ Construction Project Management

Gov. Code 4526 continued

- Procedures need to be set up so the District can assure that these services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the public agencies.
- Request for Proposals can help determine this

Gov. Code 53060 Special Services

- Districts can contract with for special services in advice in financial, economic, accounting engineering, legal or administrative matters without a formal bid process.

PCC 20653 Purchases through Department of General Services

- Nothing in this code shall preclude the governing board of any community college district from purchasing materials, equipment or supplies through the Department of General Services pursuant to Section 14814 of the Government Code.
- www.dgs.ca.gov Has a list of all contracts that District's can use

PCC 20654 Emergency work without bidding

- In an emergency when any repairs, alterations, work, or improvement is necessary to any facility of the college, or to permit the continuance of existing college classes, or to avoid danger to life or property, the board may by unanimous vote, with the approval of the county superintendent of schools, do either of the following:

Emergency work

- ◆ (1) Make a contract in writing or otherwise on behalf of the district for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bids.
- ◆ (2) Notwithstanding Section 20655, authorize the use of day labor or force account for the purpose.
(b) Nothing in this section shall eliminate the need for any bonds or security otherwise required by law.

PCC 20655 Repairs

- In each community college district, the governing board may make repairs, alterations, additions, or painting, repainting, or decorating upon school buildings, repair or build apparatus or equipment, make improvements on the school grounds, erect new buildings, and perform maintenance as defined in Section 20656 by day labor, or by force account, whenever the total number of hours on the job does not exceed 350 hours.

PCC 20656 Maintenance Defined

- “Maintenance” expressly includes, but is not limited to: carpentry, electrical, plumbing, glazing, and other craft work designed consistent with the definition set forth above to preserve the facility in a safe, efficient manner.
- This definition does not include, among other types of work, janitorial or custodial services and protection of the sort provided by guards or other security forces.

PCC 20651 & 20656 Maintenance as defined

- This is crucial to understanding the bid limits and how you can use this section to your advantage
 - ◆ Work with your District Legal Counsel
 - ◆ Limit for Maintenance/repair work is \$76,700
 - ◆ Develop an in-house process for accepting quotes
 - ◆ Requires bid bond, labor and materials bonds and insurance

PCC 20657 Splitting Projects to Avoid Bidding

- It shall be unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the provisions of this article requiring contracting after competitive bidding.

Uniform Public Construction Cost Accounting Act

- Public Contract Code (Section 22003)
- Qualified contractors from the established list would be solicited on each informal bids between \$30,000 and \$137,500.

Uniform Public Construction Cost Accounting Act cont.

- The UPCCA requires the District to annually pre-qualify vendors. If approved, projects will be processed as follows:
- \$0-\$30,000 No Bid - Would be exempt from bidding requirements; these projects will be performed by negotiated contract or by purchase order.

Uniform Public Construction Cost Accounting Act cont.

- \$30,000 - \$137,500 - Informal Bid - Would be let to the qualified contractor submitting the lowest quote through an informal bidding process. Bid bonds, performance bonds, and payment bonds would continue to be required of all contractors doing work under these provisions.
- Over \$137,500 - Formal Bid - Requires 1 advertisement in local paper with 14 day advance notice. Trade Journals are notified 30 days in advance. Requires board approval

Education Code 81645 Electronic Systems

- The Governing Board of any community college district may contract with a party who has submitted one of the three lowest responsible competitive proposals or bids.