

# **RIVERSIDE COMMUNITY COLLEGE DISTRICT**

## **BIDDING AND PROCUREMENT PROCEDURES**

### **Purchasing Department's Role**

The Riverside Community College District's Purchasing Department, under the Business and Financial Services division, handles the procurement of quality goods, services, and construction from responsible vendors at the lowest cost or best value. The purpose of Purchasing Department is to ensure that the procurement of goods and services is conducted in accordance with the procedures set forth by the Board of Trustees, the California Public Contract Code (PCC), the California Education Code, and other applicable laws of the State of California and the District's internal control policies. Consistent with the California Public Contract Code, the District solicits Invitations to Bid, Requests for Proposals (RFP), Requests for Qualifications (RFQ), or other formal methods of procurement for contracts exceeding bid limits. The Purchasing Department is a separate, independent department that coordinates and works with the District's Facilities Planning & Development, College Business Services, Maintenance and Operations departments, and the District's Construction Management firms on bids associated with public works projects.

The Purchasing Department, along with the department project manager, determines the appropriate bidding method based on the estimated project cost. A bid summary form is completed for public works projects to help determine the bidding method (formal or informal bidding), general contractor (District project) or construction management (CM) project utilizing the multi-prime project delivery method.

### **Purchasing Bid Limits**

Per Public Contract Code section 20651, community college Districts must competitively bid any contract involving an expenditure of:

- ❖ More than \$109,300 (this threshold amount is annually adjusted) for the purchase of equipment, materials, supplies and services (except construction services).
  - Internal District procedures require the department project manager to obtain informal quotes as follows:
    - \$1,000 to \$9,999 → obtain three (3) verbal quotes
    - \$10,000 to \$109,299 → obtain three (3) written quotes
- ❖ More than \$15,000 for Public Works Projects.
  - However, Section 22030 of the Public Contract Code (PCC 22030) provides that a District may adopt the California Uniform Public Construction Cost Accounting Act (CUPCCAA) procedures (commonly referred to within the District as UCCAP – Uniform Construction Cost Accounting Procedure), effectively allowing the District to increase the formal bid limits for its public projects.
    - On February 16, 2010, the District's Board of Trustees passed a resolution to become subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA).

## **California Uniform Public Construction Cost Accounting Act (CUPCCAA)**

CUPCCAA is a useful tool for the District as it raises informal quote thresholds, simplifies the informal quote process for small projects, reduces advertising costs, expedites the bidding processes, and increases the likelihood that the bids received will be from responsive, responsible contractors. CUPCCA allows the District to have a less formal bid process, but with appropriate guidelines and checks and balances in place. The relevant thresholds follow:

- ❖ **Under \$60,000 - Quotes.** Contracting for construction services would be exempt from bidding requirements; these projects would be performed by negotiated contract or by purchase order.
  - Under CUPCCAA, the District is required to create and maintain a list of qualified contractors, by the category of work that they perform. Each year, the District is required to publicly invite licensed contractors to submit their name for inclusion on the list.
  - The District may select a qualified contractor from this list for projects under \$45,000 without going through an informal or formal bid process. However, the District has established internal procedures that require Project Managers/Departments to obtain informal quotes (at least three) for projects costing over \$10,000.
  - Public works contracts in excess of \$25,000 require that additional documentation be prepared and verified by the Purchasing Department, prior to construction, including, but not limited to, agreements performance bonds; payment bonds; (Civil Code Section 3247-3252), worker's compensation insurance certificates, and general liability and automobile certificates of insurance.
- ❖ **\$60,000 - \$200,000 - Informal Bid.** Contracts for construction services would be awarded to the qualified contractor submitting the lowest informal bid through the informal bidding process, using the following process:
  - The Purchasing Department sends a Notice of Invitation requesting informal bids to the list of qualified contractors maintained by the Purchasing Department and to a list of specified trade journals. Invitations must be sent at least ten (10) days prior to the informal bid closing date. The District must award to the lowest responsive, responsible bidder.
  - The Purchasing Department prepares an informal bid package, which include bid and contract forms and specifications/drawings.
  - As applicable, documents, including, bid bonds, performance bonds, and payment bonds are required of all contractors doing work under these provisions.
  - The Purchasing Department obtains and verifies required documentation, including certificates of insurance, bonds, and contractor licenses. The Purchasing Department issues the Notice of Award and the signed construction agreement and purchase order, along with the Notice to Proceed.
- ❖ **Over \$200,000 - Formal Bid.** Contracts for construction services remain subject to standard formal bidding procedures, with the exception of advertisement. Publication is required only once, at least 14 calendar days prior to bid opening. Notice must also be mailed to the specified trade journals at least 30 calendar days prior to bid opening. See below.

## **Formal Bid Requirements**

The Purchasing Department ensures that if a contract must be competitively bid, a number of rules, regulations and policies are adhered to, including the following:

- ❖ The Board of Trustees must either award the contract to the lowest responsive, responsible or reject all bids. (Public Contract Code Section 22038).
- ❖ For the purpose of securing bids, the District must publish a notice calling for bids at least once a week for two weeks in a newspaper of general circulation published in the District, or if there is no such paper, then in a newspaper of general circulation circulated in the county. (Education Code Section 81641).
- ❖ The published notice must state the scope of work to be done or materials or supplies to be furnished and the time and the place bids will be opened. Whether or not bids are opened exactly at the time fixed in the public notice for opening bids, a bid shall not be received after that time. (Public Contract Code Section 22037).
- ❖ The Board of Trustees can only award a contract to a "responsible bidder", i.e., a bidder who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity, and experience to satisfactorily perform the public works contract. (Public Contract Code Section 1103). Before rejecting the lowest bid on the basis that the bidder is not "responsible", the District's legal counsel is consulted to ensure that both substantive and procedural legal requirements are met.
- ❖ The Board of Trustees must reject bids that are "non-responsive", i.e., bids that do not comply with all statutory requirements or do not substantially conform to the notice calling for bids and the material requirements of the specifications. However, the Board of Trustees may either waive minor and non-substantive irregularities that do not provide a competitive advantage or reject bids that do not conform completely to the notice calling for bids and bid specifications. Before either rejecting the lowest bid on the basis that it is non-responsive or waiving any irregularities, the legal counsel is consulted to ensure that both substantive and procedural legal requirements are met.
- ❖ Contractor must possess a valid contractor or business license at the time of the contract award.
- ❖ Contractors/Sub-Contractors whose bid price is equal to or greater than one-half of one percent (0.5%) of the total base bid amount must be listed as a part of the bid proposal.
- ❖ Listed Contractors/Sub-Contractors can only be substituted under very specific circumstances, as allowed by the PCC, and with the District's written permission. Bid shopping is illegal is not allowed by the District.
- ❖ It is unlawful to split bids into smaller contracts to avoid public competitive bidding requirements. (Public Contract Code Section 20657).
- ❖ Allow contractor on a public works project to provide an equal to materials, products, things, or services specified in the contract documents. (Public Contract Code Section 3400).
  - However, specifications may designate by brand or trade name if the Board has made a finding based on the following: (1) to conduct a field test or experiment of the product, (2) to match existing products in use on the particular public work, (3) to obtain a product that is only available from one source, or (4) to respond to an emergency.
- ❖ Public Works contracts must be bid using prevailing wage rates.

- ❖ Contractors engaging in a public works project must meet the requirements of Labor Code section 1725.5 and register with the Department of Industrial Relations.

### **Contracts Exempt from Competitive Bidding Requirements**

Public Contract Code Section 20651(c) expressly provides that contracts for professional services or advice, insurance services, other purchases or services are exempt from Section 20651. The following are some examples of other types of projects/contracts not subject to the usual competitive bidding requirements:

- ❖ **Emergencies.** Public Contract Code Section 22050 provides that competitive bidding may be avoided when repairs, alterations, work, or improvements are necessary to avoid danger to life or property in an emergency.
- ❖ **The State List.** Competitive bidding may be waived when purchasing materials, equipment, or supplies through the Department of General Services or utilizing its California Multiple Award Schedule ("CMAS"). California Multiple Award Schedules (CMAS) are supplier agreements based upon an existing Federal GSA or other approved multiple award contracts. CMAS offers a wide variety of commodity and information technology products at prices that have been assessed to be fair, reasonable, and competitive.
- ❖ **Piggyback Bids.** Competitive bidding may be waived by proper arrangement with another public agency to purchase or lease materials, supplies, equipment, vehicles, and other personal property where the purchasing agency has complied with its own applicable statutes. This is also known as "piggybacking." This purchasing arrangement involves using the pricing from a piggyback contract held by another school District or public agency in the absence of additional public bidding. The originating District must follow formal bid procedures and other piggyback procedures. Piggybacking reduces the cost of procurement and often provides lower prices than a single jurisdiction would be able to obtain. A piggyback contract generally cannot include any "public work."
- ❖ **Professional Experts.** Without going to bid, Districts may contract with a person who will furnish "special services and advice" to the District in financial, economic, accounting, engineering, legal, or administrative matters. Any person so employed must be specially trained and experienced and competent to perform those special services. (Government Code Section 53060.) However, all "architectural and engineering services" as defined in Government Code Section 4529.10 must be procured pursuant to a fair, competitive selection process through a request for proposal/qualification process.