

INSTRUCTIONS DELEGATION REQUEST FOR PROJECT UNDERTAKING BY STATE AGENCY (FORM 23)

The Request for Project Undertaking by State Agency (Form 23) (attached) is submitted to the Real Estate Services Division (RES D) of the Department of General Services (DGS) when a state agency requests delegation to carry out a project under its own authority.

Delegation Criteria

DGS may delegate authority to carry out a project when it can determine its services are not required in accordance with Public Contract Code (PCC) § 10108 or 10108.5. DGS may make this determination when the requesting agency confirms:

- A licensed California Professional Engineer or Registered Architect planned and designed the project.
- The plans and specifications were reviewed and approved by the appropriate regulatory control agencies.
- California Environmental Quality Act (CEQA) review will be completed by the DGS, RESD, Environmental Services Section.
- Inspections will be completed by the DGS, RESD, Construction Services Branch.
- Improvement information will be provided for Statewide Property Inventory records update.
- As-builts will be provided to RESD upon completion of the project.

The project delegation threshold, as defined in PCC §10105, is the dollar cost of a project below which delegation from DGS is not required for a state agency to undertake the work. Reference attached PCC § 10105, § 10108, and 10108.5. The project threshold is adjusted every two years by the Department of Finance. The threshold is currently \$291,000 for most state agencies and was last adjusted by Budget Letter 16-03, February 14, 2016 (attached).

Procedures

Project Development Assessment

When the project is first anticipated, the agency contacts their assigned RESD Customer Services Manager (CSM). The CSM sends the Form 23 to the customer, reviews the procedures with the customer, and puts the customer in contact with the Principal Architect at the Project Management and Development Branch, Architecture and Engineering Section (PMDB/A&E), to discuss the request for a Preliminary Assessment.

During this Preliminary Assessment, the agency gathers all requirements listed on the Form 23. Communication with the Principal Architect during this process will ensure that PMDB/A&E understands the project and can assess if delegation is an option for the project. If it is determined that the project cannot be delegated and the agency would like RESD to complete the project, the agency submits a CRUISE request using the appropriate request type.

Processing the CRUISE Request:

If the Preliminary Assessment is approved, the customer submits a CRUISE request to RESD using the request type “Delegation for Project Undertaking by State Agency (Form 23)” under the category “Design, Engineering & Construction Services”. Please ensure that the Form 23 is complete, including all signatures. Attach electronic copies of approved/stamped plans/specifications or send hard copies separately to your agency’s CSM. The CSM will forward the CRUISE request along with the plans and specifications to PMDB/A&E and the project will be initiated in the DGS ABMS system.

Pursuant to California Government Code Section 14951, inspections are required to be completed by RESD’s CSB which has been delegated by the State Architect to provide inspection services for all state buildings. Once the delegation is approved and the project moves forward, the agency contacts CSB to coordinate inspections.

Pursuant to Public Resources Code Section 21000 et seq. and the state CEQA Guidelines (California Code of Regulations Section 15000 et seq.) a CEQA review is required and shall be completed by DGS’ Environmental Services Section for determination of applicability and for appropriate form of environmental documentation for the project.

PMDB/A&E will review your request to ensure there is sufficient information for RESD to act upon. A project request submitted to PMDB/A&E is reviewed only to verify that the delegation criteria has been or will be met. PMDB/A&E does not perform technical or code compliance review of the project documentation; this remains the responsibility of the requesting agency.

Do not submit the Form 23 until the appropriate regulatory reviews and approvals have been obtained. Submissions without required approvals will be returned to the requesting agency as incomplete. Once the project has been delegated, the requesting agency is responsible for its completion.

To assist you with obtaining the required approvals, the following information sources are listed:

- **State Fire Marshal** – <http://osfm.fire.ca.gov/>
Approval is required for all projects with rare exceptions.
- **Division of the State Architect** – Access Compliance – <http://www.dgs.ca.gov/dsa/Programs/progAccess.aspx>
Approval is required for all projects with rare exceptions.
- **Division of the State Architect** – Essential Services Building
Approval is required if the agency building is an “Essential Services Facility”.
Examples include hospitals, transportation management centers, emergency services centers, and certain police and fire station facilities.
- **Office of Historic Preservation (OHP)** – <http://ohp.parks.ca.gov/>
This review is required if the project has “the potential to affect historical resources listed in or potentially eligible for inclusion in the National Register of Historic Places or registered as or eligible for registration as a state historical landmark”. This may apply to any state facility 50 years of age or older. Agencies with facilities that meet these criteria should consult with the OHP as early as possible in the project planning process.

Agencies **should** contact regulatory offices in advance to discuss specific project requirements and to obtain timelines and attendant costs for the approval process. Approvals are indicated by the regulatory office's stamp on the plans and specifications and signature on the Form 23.

Requesting Agency Signature Blocks

The Form 23 requires the following signatures by the requesting agency:

- **Compliance with California Code of Regulations Title 24** – Agency signature in this block confirms to DGS/RESA that the plans and specifications have been prepared in accordance with the applicable building code requirements. Please contact the California Building Standards Commission's home page at <http://www.bsc.ca.gov> for information on the availability of Title 24.
- **Budgeted funds are available** – Agency signature in this block confirms to DGS/RESA the agency's accounting department has approved the project and funds are available.

CSMs from RESA's Asset Management Branch are available to assist you with any questions you may have regarding this process. For technical project assistance, please contact Teresa Kaneko, Principal Architect, Architectural and Engineering Section, at (916) 376-1691. For CRUISE and processing assistance, call (916) 376-1800 for your CSM's contact information.

Attachments:

- Public Contract Code §10100 through §10111.2.
- Budget Letter 14-01
- Form 23

PUBLIC CONTRACT CODE

SECTION 10100-10111.2

10100. This chapter may be cited as the State Contract Act.

10101. (a) Contracts for the purchase of supplies or materials, which are purchased pursuant to Chapter 2 (commencing with Section 10290), are not subject to this chapter, even though the seller is required to perform some incidental work or service in connection with the delivery of the material or supplies.

(b) Contracts for which emergency work or remedial measures are required are not subject to this chapter if the work or remedial measures are necessary to immediately avert, alleviate, repair, or mitigate destruction of property caused by the accidental or unplanned release of toxic substances and are necessary to protect the health, safety, and welfare of the general public.

10102. Improvements on the property of the state on the waterfront of the City and County of San Francisco under the jurisdiction of the San Francisco Port Commission are not subject to this chapter.

10103. Work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority is not subject to this chapter, whether or not done under public supervision or paid for in whole or part out of public funds.

10103.5. Work performed by prisoners pursuant to an order by the Secretary of the Department of Corrections and Rehabilitation or by the Prison Industry Authority is not subject to this chapter, provided that the total cost of a project for the construction of new, previously unoccupied prison facilities or additions to an existing facility shall not exceed fifty thousand dollars (\$50,000) unless it is first approved by the State Public Works Board.

10104. As used in this chapter, "mobilization" includes preparatory work and operations, including, but not limited to, those necessary for the movement of personnel, equipment, supplies and incidentals to the project site, for the establishment of all offices, buildings and other facilities necessary for work on the project, and for all other work and operations which must be performed or costs incurred prior to beginning work on the various items on the project site.

10105. (a) As used in this chapter, "project" includes the erection, construction, alteration, repair, or improvement of any state structure, building, road, or other state improvement of any kind that will exceed a total cost calculated pursuant to subdivision (b).

(b) The total cost limit for calendar year 2010 shall be two hundred fifty thousand dollars (\$250,000), and at two year intervals thereafter, the total cost limit shall be adjusted upward or downward by the Director of Finance to reflect the percentage change in the annual California Construction Index as used by the Department of General Services. The amount shall be rounded off to the nearest one-thousand-dollar (\$1,000) figure.

10106. For purposes of this chapter:

(a) "Department" means any of the following:

(1) The Department of Water Resources as to any project under the jurisdiction of that department.

(2) The Department of Transportation as to any project under the jurisdiction of that department.

(3) The Department of Boating and Waterways as to any project under the jurisdiction of that department pursuant to Article 2.5 (commencing with Section 65) of Chapter 2 of Division 1 of the Harbors and Navigation Code.

(4) The Department of Corrections and Rehabilitation with respect to any project under its jurisdiction pursuant to Chapter 11 (commencing with Section 7000) of Title 7 of Part 3 of the Penal Code.

(5) The Military Department as to any project under the jurisdiction of that department.

(6) The Department of General Services as to all other projects.

(b) "Director" means the director of each department as defined herein respectively.

10107. Whenever provision is made by law for any project that is not under the jurisdiction of the Department of Water Resources, the Department of Boating and Waterways pursuant to Article 2.5 (commencing with Section 65) of Chapter 2 of Division 1 of the Harbors and Navigation Code, the Department of Corrections and Rehabilitation pursuant to Chapter 11 (commencing with Section 7000) of Title 7 of Part 3 of the Penal Code, the Department of Transportation, or the Military Department, the project shall be under the sole charge and direct control of the Department of General Services.

10108. Where the nature of the work in the opinion of the department is such that its services in connection therewith are not required, it may authorize the carrying out of the project directly by the state agency concerned therewith if the estimated cost does not exceed six hundred thousand dollars (\$600,000), except that the

six hundred thousand dollar (\$600,000) limitation shall not apply to a project of a district agricultural association or a project of the State Lands Commission. Any capital outlay project with a total value that does not exceed six hundred thousand dollars (\$600,000) may be budgeted as a minor capital outlay project. This limit shall be adjusted pursuant to subdivision (b) of Section 10105.

If the estimated total cost of any construction project or work carried out under this section exceeds twenty-five thousand dollars (\$25,000), the district or agency shall solicit bids in writing and shall award the work to the lowest responsible bidder or reject all bids. However, the director may authorize the district or agency to carry out work in excess of twenty-five thousand dollars (\$25,000) under the provisions of this section by day labor if he or she deems that the award of a contract, the acceptance of bids, or the acceptance of further bids is not in the best interests of the state. In no event shall the amount of work performed by day labor under this section exceed the sum of fifty thousand dollars (\$50,000) in the case of district agricultural association fair projects, or thirty-five thousand dollars (\$35,000) in other cases.

10108.5. (a) When the nature of the work by departments, boards, commissions, or conservancies within the Resources Agency, in the opinion of the Department of General Services, is such that its services in connection therewith are not required, it may authorize the carrying out of the project directly by the department within the Resources Agency concerned therewith if the estimated cost does not exceed five hundred thousand dollars (\$500,000). This limit shall be adjusted pursuant to subdivision (b) of Section 10105.

(b) If the estimated total cost of any construction project or work carried out under this section exceeds fifty thousand dollars (\$50,000), the Department of Forestry and Fire Protection shall solicit bids in writing and shall award the work to the lowest responsible bidder or reject all bids. However, the Director of General Services may authorize the Department of Forestry and Fire Protection to carry out work in excess of fifty thousand dollars (\$50,000) under this section by day labor if he or she deems that the award of a contract, the acceptance of bids, or the acceptance of further bids is not in the best interests of the state. However, in no event shall the amount of work performed by day labor under this section exceed the sum of one hundred thousand dollars (\$100,000). This limit shall be adjusted pursuant to subdivision (b) of Section 10105.

(c) Notwithstanding the cost limitation of subdivision (a), the State Coastal Conservancy may, if authorized by the Department of General Services as described in subdivision (a), directly carry out a public works project involving habitat or wetlands restoration and related pedestrian or cycling access improvements, not including buildings or other nonaccess related structures on the following state-owned lands: Bel Marin Keys Unit V in Marin County, Eden Landing Ecological Reserve (a part of the South Bay Salt Pond Restoration Project) in Alameda County, Bair Island Ecological Reserve in San Mateo County, Napa Sonoma Marshes State Wildlife Area in Napa, Solano, and Sonoma Counties, Ballona Wetlands Ecological Reserve in Los Angeles County, Buena Vista Lagoon Ecological Reserve in San Diego County, Los Peñasquitos Marsh in Torrey Pines State

Natural Reserve in San Diego County, and Tijuana Estuary State Park in San Diego County. In carrying out a public works project pursuant to this subdivision, the State Coastal Conservancy shall comply with the provisions of, and regulations adopted pursuant to, this chapter.

10108.7. (a) The Department of Corrections shall provide in the general conditions under which bids will be received, that any person making a bid or offer to perform a contract shall, in his or her bid or offer, set forth the following information:

(1) The name and the location of the place of business of each subcontractor certified as a minority, women, or disabled veteran business enterprise who will perform work or labor or render service to the prime contractor in connection with the performance of the contract and who will be used by the prime contractor to fulfill minority, women, and disabled veteran business enterprise participation goals.

(2) The portion of work that will be done by each subcontractor under paragraph (1). The prime contractor shall list only one subcontractor for each portion of work as is defined by the prime contractor in his or her bid or offer.

(b) The Subletting and Subcontracting Fair Practices Act (Chapter 4 (commencing with Section 4100) of Part 1 shall apply to the information required by subdivision (a) relating to subcontractors certified as minority, women, or disabled veteran business enterprises.

(c) For purposes of this section, "subcontractor" and "prime contractor" shall have the same meaning as those terms are defined in Section 4113.

(d) As used in this section, "contract" does not include a contract negotiated pursuant to Chapter 10 (commencing with Section 4525) of Division 5 of Title 1 of the Government Code.

10108.8. The Department of Corrections, where feasible, shall enter into two or more procurement contracts for the purchase and development of the Business Information System (BIS) Project. The BIS project shall be developed to allow integration with other relevant statewide financial and personnel systems.

10109. Any notice inviting bids on a project which specifies locations of possible materials, such as a borrow pit or gravel bed, for use in the proposed project which would be subject to Section 1602 of the Fish and Game Code shall include any conditions or modifications established pursuant to Section 1603.

10110. (a) Where the nature of the work is historic restoration for the state park system, as determined jointly by the director and the Director of Parks and Recreation, the department may authorize the carrying out of the project directly by the Department of Parks and Recreation.

(b) If the estimated total cost of any construction project or work carried out under this section exceeds fifty thousand dollars (\$50,000), the Department of Parks and Recreation shall solicit bids in writing and award the work to the lowest responsible bidder or reject all bids. However, the director may authorize the Department of Parks and Recreation to carry out work in excess of fifty thousand dollars (\$50,000) under the provisions of this section by day labor if the director determines, in consultation with the Director of Parks and Recreation, that the award of a contract, the acceptance of bids, or the acceptance of further bids is not in the best interests of the state. The Department of Parks and Recreation shall establish, by regulation, criteria to be considered by the Department of Parks and Recreation in requesting authorization from the director to perform all or part of a project by day labor.

10111. Commencing January 1, 2007, the department shall make available a report on contracting activity containing the following information:

(a) A listing of consulting services contracts that the state has entered into during the previous fiscal year. The listing shall include the following:

- (1) The name and identification number of each contractor.
- (2) The type of bidding entered into, the number of bidders, whether the low bidder was accepted, and if the low bidder was not accepted, an explanation of why another contractor was selected.
- (3) The amount of the contract price.
- (4) Whether the contract was a noncompetitive bid contract, and why the contract was a noncompetitive bid contract.
- (5) Justification for entering into each consulting services contract.
- (6) The purpose of the contract and the potential beneficiaries.
- (7) The date when the initial contract was signed, and the date when the work began and was completed.

(b) The report shall also include a separate listing of consultant contracts completed during that fiscal year, with the same information specified in subdivision (a).

(c) The information specified in subdivisions (a) and (b) shall also include a list of any contracts underway during that fiscal year on which a change was made regarding the following:

- (1) The completion date of the contract.
- (2) The amount of money to be received by the contractor, if it exceeds 3 percent of the original contract price.
- (3) The purpose of the contract or duties of the contractor. A brief explanation shall be given if the change in purpose is significant.

(d) The level of participation, by agency, of disabled veteran business enterprises in statewide contracting and shall include dollar values of contract award for the following categories:

- (1) Construction.
- (2) Architectural, engineering, and other professional services.
- (3) Procurement of materials, supplies, and equipment.
- (4) Information technology procurements.

Additionally, the report shall include a statistical summary detailing each awarding department's goal achievement and a statewide

total of those goals.

(e) The level of participation by small business in state contracting including:

(1) Upon request, an up-to-date list of eligible small business bidders by general procurement and construction contract categories, noting company names and addresses and also noting which small businesses also qualify as microbusinesses.

(2) By general procurement and construction contract categories, statistics comparing the small business and microbusiness contract participation dollars to the total state contract participation dollars.

(3) By awarding department and general procurement and construction categories, statistics comparing the small business and microbusiness contract participation dollars to the total state contract participation dollars.

(4) Any recommendations for changes in statutes or state policies to improve opportunities for small businesses and microbusinesses.

(5) A statistical summary of small businesses and microbusinesses certified for state contracting by the number of employees at the business for each of the following categories: 0-5, 26-50, 51-75, and 76-100.

(6) To the extent feasible, beginning in the year 2008, the number of contracts awarded by the department in the categories specified in paragraph (5).

(7) The number of contracts and dollar amounts awarded annually pursuant to Section 14838.5 of the Government Code to small businesses, microbusinesses, and disabled veteran business enterprises.

(f) The level of participation of business enterprises, by race, ethnicity, and gender of the owner, in contracts to the extent that the information has been voluntarily reported to the department. In addition, the report shall contain the levels of participation of business enterprises, by race, ethnicity, and gender of the owner, and whether the business is a lesbian, gay, bisexual, or transgender owned business for the following categories of contracts, to the extent that the information has been voluntarily reported to the department:

(1) Construction.

(2) Purchases of materials, supplies, or equipment.

(3) Professional services.

(g) In the years 2011 and 2012, any errors reported to the department by an awarding agency as required by Sections 10302, 10344, and 12104.5, in the previous fiscal year.

(h) The amendments made to this section by the act adding this subdivision shall apply on and after January 1, 2013.

10111.2. A department shall, upon request from a contractor plan room service, provide an electronic copy of a project's contract documents at no charge to the contractor plan room.

BUDGET LETTER

SUBJECT: THE STATE CONTRACT ACT—PROJECT COST THRESHOLD ADJUSTMENTS	NUMBER: 16-03
REFERENCES: PUBLIC CONTRACT CODE SECTIONS 10105, 10108, AND 10108.5	DATE ISSUED: February 16, 2016
	SUPERSEDES: BL 14-01

TO: Agency Secretaries
Department Directors
Department Budget and Accounting Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

Budget Officers are requested to forward this Budget Letter (BL) to the Department Facilities Manager.

This BL adjusts the dollar threshold for a project subject to Division 2, Part 2 of the Public Contract Code (Contracting by State Agencies), which defines: (1) a project that requires oversight by the Department of General Services (DGS); (2) the maximum cost for a project to be budgeted as a minor capital outlay project; and (3) for the Resources Agency departments, the project cost threshold to require a competitive bid and the maximum day labor amount.

Section 10105 of the Public Contract Code defines a “project” as the erection, construction, alteration, repair, or improvement of any state structure, building, road, or other state improvement of any kind with a total cost exceeding a specified amount (\$250,000 originally) that is biennially adjusted by the Director of Finance to reflect the percentage change in the annual California Construction Cost Index (CCCI) as used by DGS.

Section 10108 of the Public Contract Code establishes the maximum cost of a project (\$600,000 originally) that may be budgeted as a minor capital outlay project. It also requires the project cost amount be adjusted biennially for CCCI.

Section 10108.5 of the Public Contract Code applies to departments within the Resources Agency. This section requires a biennial CCCI adjustment to: (1) the project dollar threshold (\$500,000 originally) for DGS oversight; (2) the cost threshold (\$50,000 originally) that determines when a project must be competitively bid; and (3) the maximum day labor amount.

A summary of these new dollar thresholds for calendar years 2016 and 2017 follows:

<u>Adjusted Project Cost Threshold</u>	<u>2016 and 2017 Amount</u>
Section 10105—DGS oversight required for projects over	\$291,000
Section 10108—Minor capital outlay project limit	\$656,000
Section 10108.5—DGS oversight required for projects over	\$903,000
Section 10108.5—Competitive bidding required for projects over	\$ 90,000
Section 10108.5—Maximum day labor amount	\$181,000

Any questions on this BL should be referred to Chris Lief, Assistant Program Budget Manager for Capital Outlay, Department of Finance, at (916) 445-9694.

/s/ Karen Finn

Karen Finn
Program Budget Manager

State of California

Request for Project
Undertaking
By State Agency



RESD Form 23 (REV 4-13)

STATE OF CALIFORNIA
DEPARTMENT OF GENERAL SERVICES

Department _____ No. _____
Organization Unit _____ Date: _____
Address _____
Phone _____
Contact Person _____

Authorization is requested for above-named agency to do the following described work under its own supervision. The total cost of each project listed below will not exceed limitations imposed by law.

Projects will be advertised for bids in compliance with Public Contract Code Sections 10108 and 10140 and SAM Section 1321.13. Projects for public buildings and facilities will comply with Section 4454 of the Government Code, "Access to Public Buildings by Physically Handicapped Persons."

Description of proposal work and estimated cost of project:
(Use additional page if necessary)

Project Name:

* Inspections are required pursuant to California Government Code Section 14951, to be completed by the Department of General Services (DGS), Real Estate Services Division (RESD), Construction Services Branch (CSB) which has been delegated by the State Architect to provide inspection services for all State Buildings. Contact CSB to coordinate at (916) 375-4838.

* CEQA is required pursuant to Public Resources Code Section 21000 et seq. and the State CEQA Guidelines (California Code of Regulations Section 15000 et seq.) and shall be reviewed or completed by DGS Environmental Services Section for determination of applicability and for appropriate form of environmental documentation for the project.

Plans and Specifications included:

Work is proposed to be done by:

Contract DGS/Direct Construction Unit Explain why if the work is proposed to be done by Direct Construction Unit

State Fire Marshal Approval Date:	DSA Access Compliance Approval Date:	DSA Essential Services Building Approval Date:	SHPO Approval Date:	CEQA Approval Date:
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The undersigned certifies that all work to be done under this request complies with requirements of CCR Title 24
Agency Officer or Designee Title: Date:

I hereby certify upon my own personal knowledge that budgeted funds are available for the function and object of the expenditure as indicated above.
Agency Accounting Officer: Title: Date:

Estimated Project Cost
Date of Estimate:

For Use Only by Real Estate Services Division

- Project Rejected (see attached) or Approval Denied (see attached)
- DGS/Direct Construction Project
The estimated cost of work to be performed by Direct Construction does not exceed the statutory limits under Public Contract Code Section 10108. Authorization is granted to perform the above work.
- Contract Project
The estimated cost of the project does not exceed the statutory limits under Public Contract Code Section 10108 and, in our opinion, the services of the Department of General Services are not required except for CSB inspections as required. The above State agency is hereby authorized to carry out the above project subject to the provisions of law.

Approved by: _____ Title: _____ Date: _____

Note: Approval to proceed with this work does not indicate approval of any contracts necessary for the completion of projects.
Estimated cost must be completed by agency.

The applicable laws pertaining to such construction are referenced in Title 1, Division 5, Chapters 1, 2, 3 and 4 of the Government Code and Part 7, Chapter 1, Articles 1, 2, 3, and 4 of the Labor Code, as amended.

Form 23