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Bulletin: Public Works Advertising Policy Updates			
Effective Date:	5/24/2022		
From:	Construction Services		
Item No.	Information		

Overview

The following changes have been made to CSU Policy (PolicyStat) regarding advertisement requirements for Public Works projects.

1. [PolicyStat 9723](#) "Advertising for Bids" has been updated to clarify that the minimum advertising channels include both Planet Bids and the California State Contracts Register.
2. [PolicyStat 9723](#) "Advertising for Bids" has been updated to clarify that the minimum advertising period for major capital projects in relation to the prequalification application due date, with limited exception.
3. [PolicyStat 9730](#) "Campus's Duties and Responsibilities During Bidding Phase" has been updated to clarify that that the campuses shall coordinate with the bidders and CPDC to verify that the aggregate prequalification rating is adequate to accept a bid on the project as responsive.
4. [PolicyStat 9740](#) "Systemwide Prequalification of Bidders for Construction Contracts-- Responsibilities" has been updated to clarify the minimum days required to notify CPDC's Prequalification Administrator that a project will be bidding. Notification is required to ensure that the Administrator can assist prospective bidders with the prequalification application and track the project for insurance enrollment. There is a growing number of projects that are not notifying the Administrator of upcoming bids, not submitting the completed bid abstract, and are not enrolling in CSU's construction insurance programs.
5. [PolicyStat 9741](#) "Bidder (General Contractor) Prequalification Requirements" has been updated to more clearly reference the source of the biannual adjustment of the major capital outlay project cost limit in its relation to the prequalification requirements.

Attachments: PolicyStat Sections 9723, 9730, 9740, and 9741

Weblinks: [PolicyStat 9723](#), [PolicyStat 9730](#), [PolicyStat 9740](#), [PolicyStat 9741](#)

Applicability: Effective for all major capital projects

End of Bulletin

delivery methods: Design-Build, Collaborative Design-Build and Construction Manager at Risk. These have been posted to the CPDC website in the following paragraph.

SGC that are initiated by CPDC, complement or supersede the contract general conditions as appropriate, and are available online (www.Calstate.edu/CPDCSampleForms). Those SGC that are found on the CPDC website have already been reviewed and approved by General Counsel. Construction administrators shall check this website prior to advertising to ensure use of the most recent version is included in the Contract Documents.

9722.02 SPECIAL CONDITIONS

The Special Conditions include provisions tailored to meet local campus needs, e.g., utilities to be included in base bid, issuing keys, traffic and parking control. These complement, but do not supersede, the contract general conditions. They should always be customized to the campus and be project-specific. This can be a section called "Special Conditions" or the contents can be included in Division One (Section 01 11 00), and this includes additional requirements customized to the project and is usually authored by the design professional.

9722.03 SAMPLE FORMS

The contract general conditions for all types of contracts, SUAM-[Appendix D](#), and the Project Administration Reference Manual all contain various sample forms designed for project administration. The sample forms have been created in a generic format, and are intended to be customized, as appropriate, to modify signature blocks, titles, etc. The sample forms are the recommended format, and some forms contain important requirements such as the agreement and the bond forms, but most may be modified if necessary. The sample forms can be found on the following website: www.Calstate.edu/CPDCSampleForms. For each form listed therein, we have indicated which document it would belong to, i.e. SUAM [Appendix D](#) or Contract General Conditions for Design-Bid-Build Major Projects. Campus administrators are encouraged to review changes to forms with Construction Services, in CPDC, whenever proposing to make major format or text changes.

9723 ADVERTISING FOR BIDS

The construction administrator shall place an ad in the California State Contracts Register (CSCR), which currently is found on the eProcurement portal managed by the Procurement Division of the Department of General Services at: <https://caleprocure.ca.gov/pages/Events-BS3/event-search.aspx>. Per Gov. Code section 14827.1, "No state agency shall award a contract unless notice thereof has first been published in the California State Contracts Register." Document approvals for exemption from publication in the CSCR on Std. Form 821, Request for Exemption from Contract Advertising (Public Contract Code sections 10740 and 10742, and Government Code section 14825 *et seq.*)

In addition to publishing on CSCR, the construction administrator is also responsible for placing advertisements soliciting bids on the Trustees' website (Planet Bids), in accordance with the provisions of the contract laws that apply to CSU. Advertising in trade papers or local newspapers may be used in addition to Planet Bids, but shall not be used in lieu of Planet Bids. To allow contractors sufficient time

for the preparation of bids, there must be a reasonable length of time between the publication of the advertisement and the date for submission of bids. Therefore, advertisements for bids shall meet at least the minimum durations listed below:

1. The prequalification application due date shall not be less than twenty-one (21) calendar days from the first day of advertisement.
2. The Statement of Qualification due date shall not be less than ten (10) business days after the prequalification application due date.

It is recommended never to open bids the day after a holiday and to avoid Mondays and Fridays if possible.

Under limited circumstances the prequalification administrator may allow a shorter length of time between the publication of the advertisement and the date for submission of the responses to the RFQ. To request a shortened prequalification duration (less than 21 days), the campus contract administrator shall contact the prequalification administrator at least 14 days prior to the schedule initial advertisement date with justification for the shortened advertisement duration.

9723.01 ADVERTISING PUBLIC WORKS PROJECTS ESTIMATED TO COST LESS THAN \$15,000

The campus may advertise all public works projects estimated to cost less than \$15,000. For these projects, compliance **may** (but need not) be through advertising (a) once a week for at least two consecutive weeks in one trade paper of general circulation published in San Francisco or in Los Angeles, (b) once a week for at least two consecutive weeks in one newspaper of general circulation in the county where the project is located **or** (c) on the Trustees' website (Planet Bids) (Public Contract Code section 10740). Refer also to SUAM section 9723.03.

9723.02 ADVERTISING PUBLIC WORKS PROJECTS ESTIMATED TO COST \$15,000 OR MORE

If the estimated cost of the project is \$15,000 or more, the construction administrator **must** advertise for at least two consecutive weeks in (a) two trade papers of general circulation, one published in Los Angeles and one published in San Francisco, (b) in one newspaper of general circulation published in the county in which the campus is located and in one trade paper published in Los Angeles or San Francisco (Public Contract Code section 10742) **or** (c) on the Trustees' website (Planet Bids). It is also recommended that an ad be placed once in a journal targeting DVBES. The advertisements must include these items:

1. a brief description of the project;
2. the date and time of the bid opening;
3. a statement that the project is a public works project, and specify:
 - the current prevailing wage rate determinations (by year and version number) that are applicable to this project,

- that copies of the prevailing wage rates are on file at the campus, and/or
 - that contractors may access current (and superseded) prevailing wage rates online at <http://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>;
4. a statement that the contract is subject to DVBE requirements, state nondiscrimination and compliance requirements, and prequalification requirements (if applicable);
 5. the requirement for a bid security, payment bond, and performance bond (if applicable);
 6. the classification of license(s) required on the project;
 7. the requirement for contractor and all subcontractors to be registered with the DIR to bid public works projects;
 8. the date(s) and time(s) for the job site inspection (and whether it is mandatory);
 9. the name, e-mail address, and telephone number for the contact person for plan distribution and questions.
10. Alternatives. When bidding alternatives, it is necessary to publish an estimate and establish the basis of award in the advertisement.

It is not necessary to publish the entire Notice to Contractors. In order to reduce the costs of advertising, advertisements shall be as brief as possible. Refer also to SUAM section 9723.03 for advertising minor capital outlay projects.

9723.03 ADVERTISING PUBLIC WORKS PROJECTS ESTIMATED TO COST LESS THAN THE COST LIMIT FOR A MINOR CAPITAL OUTLAY PROJECT

In accordance with Public Contract Code section 10705, if the project is estimated to cost less than the cost limit for a minor capital outlay project pursuant to Public Contract Code section 10108, some discretion may be exercised with the advertising requirements of a project; however, refer to SUAM sections 9723.01 and 9723.02 for standard procedures.

9730 CAMPUS'S DUTIES AND RESPONSIBILITIES DURING BIDDING PHASE

1. Coordinate delivery of the project plans, specifications, and bidding documents to the designated distribution location, and ensure both the plans and the specifications are numbered consecutively.
2. Make all arrangements required to accommodate the prebid walkthrough.
3. Ensure that a record is kept of all plans and specifications issued, by number of bid set and name of contractor receiving that bid set, amount paid or deposited, as well as contractor address, phone number, fax number, and e-mail address. Return deposits to all plan holders returning plans within the time stipulated and return the balance to the construction administrator to deposit with project funds.

4. Notify the construction administrator if additional sets of plans are needed for bidders.
5. Periodically throughout the bidding period, furnish the construction administrator and the design professional with the names of all contractors who have withdrawn plans.
6. Ensure that all addenda issued are attached to the plans and specifications on hand and that copies are mailed to all plan holders.
7. Ensure that physical or electronic copies of the plans and specifications are sent to the plan rooms selected during the prebid meeting.
8. Direct all questions regarding the project and the bidding procedures to the design professional.
9. Issue bid proposal packages to prequalified bidders. To ensure bidders are prequalified, construction administrator must verify license, DIR public works registration number, and CSU prequalification rating (aggregate) and expiration date; and verification of the latter is done by either requiring bidders to submit a copy of the prequalification approval letter or requesting prequalification status from the Trustees' prequalification administrator. Campuses must verify the contractor's rating is sufficient to accommodate the bid, which may require coordination with both the contractors and CPDC.
10. Handle all public information releases concerning the project through appropriate campus channels.
11. Inform campus staff of the project and the conduct required of them during the construction period.
12. Make all arrangements required to accommodate the construction.
13. Advise the students of their responsibilities during the construction period.
14. Prepare and conduct the formal bid opening at the campus. Accurately record all bids received on the official Abstract of Bids form. Email bid results to CPDC at cocm.prequal@calstate.edu.

9730.01 DISTRIBUTION OF PROJECT PLANS AND SPECIFICATIONS TO BIDDERS

Campus must specify in the advertisement for bids the deposit or cost for the plans and specifications and where the plans and specifications will be available, and these documents must be issued from that location. The plans and specifications should be at the designated distribution location ready for distribution, by the day the first advertisement runs or begins.

Bidders may obtain Plans and Specifications online, or at the University where the Work will be performed, or other location as designated in the Notice to Contractors, or Bidders may view them at the locations listed in the Notice to Contractors. Plans and Specifications are available only to licensed contractors, licensed subcontractors and suppliers. The Trustees may charge an amount stated in the Notice to Contractors for each set of Plans and Specifications.

The successful Bidder may purchase additional sets of Plans and Specifications at cost. Subcontractors of the successful Bidder shall receive their Plans and Specifications directly from the Contractor.

It is recommended that bid documents may be distributed electronically or posted online for contractors

to download.

9730.02 PLAN DISTRIBUTION RECORD

Regardless how the plans and specifications are issued, for all sets issued, a written record must be kept, containing the following information:

- name, address, telephone number, facsimile number, and e-mail address of bidder accessing or purchasing,
- the amount of the deposit/payment, if applicable,
- date of issue and return, if applicable.

The above information for plan holders shall be continually updated and current throughout the bidding period, so that copies of all addenda issued may be forwarded to all bidders timely.

9730.03 PLAN DEPOSITS/PAYMENTS

A plan deposit or payment must accompany requests for all printed plans and specifications. A refundable deposit or nonrefundable payment in an amount stated in the Notice to Contractors may be charged for each set of plans and specifications. If refundable, prime contractors are allowed refunds for a maximum of two (2) sets each; subcontractors, one (1) set each. Additional sets of plans and specifications may be purchased. No refund will be made for any additional sets purchased. Deposits will be returned if the plans and specifications are returned within 30 calendar days of bid opening in good condition and unmarked. Marked-up drawings, missing sheets and unbound specifications are sufficient reasons for forfeiture of deposits.

Generally, plan rooms in the vicinity of the campus are furnished with a set of plans and specifications. Since it is to the advantage of the Trustees to have plans on file in such places for the use of subcontractors, requests for copies without a plan deposit for plan rooms usually are approved.

For minor capital outlay projects or small major capital outlay projects where the cost of plans and specifications is relatively modest, the plans and specifications may be purchased by and distributed to bidders. The cost should be set at the approximate actual cost to reproduce the documents.

9730.04 DISPOSITION OF PLAN DEPOSITS AND REMAINING SETS OF PLANS AND SPECIFICATIONS

Any plan deposits on hand thirty calendar days after the bid date must be forwarded to the construction administrator. The funds from these deposits are to be used only for defraying the advertising and printing costs of the project. Upon award of a contract, sets of plans and specifications will be available for purchase to the successful bidder in accordance with the contract general conditions.

The contractor may purchase plans and specifications from the design professional at cost. The bidder awarded the contract may be furnished the available excess remaining sets of plans and specifications (if any) at no cost. Also refund the plan deposits of the successful bidder without return of plans.

Subcontractors who have withdrawn plans and who are listed by the prime contractor who was awarded the contract must return their plans to secure their plan deposits unless the prime contractor authorizes the listed subcontractor to retain its set as though from them. Otherwise, all subcontractors must secure any plans they need in their work from the prime contractor.

9731 DESIGN PROFESSIONAL'S DUTIES AND RESPONSIBILITIES DURING BIDDING PHASE

1. Reproduce the plans and specifications (a reimbursed expense in the design professional's agreement) and ensuring delivery to the campus (unless the campus assumes this responsibility).
2. Answer all questions from bidders relative to the project in an appropriate manner.
3. Review submitted "or equals" per Section 3400 of the Public Contract Code.
4. Issue all addenda, after approval by the construction administrator.
5. Attend the formal bid opening.
6. Evaluate any bid overrun.
7. Submit a complete list of all tests that are required in accordance with the specifications.

9731.01 PREPARATION AND CONTENTS OF BIDDING DOCUMENTS

The construction administrator must instruct the design professional in writing to prepare the bidding documents. The bidding documents must contain complete and accurate plans and specifications, with directions that would enable any competent builder to carry them out (see Public Contract Code section 10720). Bind the following material into the volume containing the specifications:

1. cover and title page, prepared by the design professional, specifying campus, project name and number;
2. a general index of the volume, prepared by the design professional;
3. the Notice to Contractors, prepared by the construction administrator, specifying the date, time and location of the bid opening, description of the work, notice of the requirement for a bidder's bond or bid security (and a payment bond and performance bond, if applicable), the required license classification and DIR Public Works Registration, prequalification requirement, DVBE requirement, the prevailing wage rate requirements, and job site inspection information;
4. the proposal form with "sample" overlay, prepared by the construction administrator, specifying construction budget, duration of project, liquidated damages, license requirement, bidder's security requirements;
5. the Contract General Conditions, furnished by the construction administrator, which includes samples of the following: bidders bond, agreement, performance bond, payment bond, and guarantee. Construction administrators shall check online. (www.Calstate.edu/CPDCSampleForms) prior to advertising to ensure use of the most recent version of the contract general conditions (and item no. 6 below, Supplementary General Conditions) is

- included in the Contract Documents.
6. Supplementary General Conditions, furnished by the construction administrator;
 7. Supplementary General Conditions for Federally-Funded Projects;
 8. federal forms, furnished by the construction administrator, for projects with federal grants, interest subsidies, or loans, if required;
 9. federal program guidelines, furnished by the construction administrator, if required;
 10. section 01 00 00 general requirements (Division One), prepared by the design professional and approved by the construction administrator;
 11. technical specifications, prepared by the design professional;
 12. project plans, prepared by the design professional.

9731.02 PRINTING AND REPRODUCTION OF PROJECT PLANS AND SPECIFICATIONS

The design professional is usually responsible for having the project plans produced and the project specifications printed and collated. The design professional shall seek informal bids for this process and select the most economically responsive bid. The design professional shall be reimbursed for all plans and specifications that are required to be furnished beyond the number stipulated in the agreement.

Specifications should be printed on both sides of 8 1/2 x 11-inch sheets and bound on the left into book format. Contract general conditions and other legal requirements must be included in the volume of specifications, and the construction administrator furnishes these documents. The design professional will retain adequate sets of plans and specifications for his or her use and deliver one set to the construction administrator. All other sets are to be delivered to the person designated to distribute bid documents. If federal funds are involved, one additional set must be delivered to the construction administrator for forwarding to the appropriate federal agency.

9740 SYSTEMWIDE PREQUALIFICATION OF BIDDERS FOR CONSTRUCTION CONTRACTS-- RESPONSIBILITIES

CPDC, Construction Services is responsible for prequalifying prospective bidders and provides this service to the CSU system. The campus construction administrator shall notify CPDC's [prequalification](#) administrator that the project is bidding by e-mailing a copy of the Notice to Contractors to cocm.prequal@calstate.edu and highlighting any special requirements that must be met prior to issuance of a bid proposal package at least 14 calendar days prior to advertising the project.

9740.01 SUPPLEMENTAL PREQUALIFICATION REQUIREMENTS

Occasionally campus may require special prequalification requirements in addition to the standard prequalification criteria. Campus may use his supplemental requirement to identify specific experience that the prime contractor must have to be eligible to bid the project. For example, one may require each contractor to have successfully completed one or more similar size and complexity project(s) within some recent time period, such as five years.

Supplemental prequalification requirements shall be identified in the Notice to Contractors and expanded upon in Division One. Caution should be used in implementing restrictive requirements because it will eliminate some competition and may result in too few bidders. Statutes intend to promote competition. Campuses shall send a copy of the supplemental prequalification form to the CPDC's [prequalification](#) administrator at least 14 days prior to the scheduled advertisement date for review prior to its implementation for the bid.

CPDC has posted on its website a supplemental prequalification form to be used for all job order contracts. Ideally, campus would customize the form for the bid and then provide this form electronically to bidders, as it is a 'pdf' fillable form. Contact cocm.prequal@calstate.edu for more information.

Campus may require a supplementary prequalification of bidders to be completed *prior* to the prebid walkthrough for certain specialty projects, such as roofing, and only prequalified contractors may attend the walkthrough. This process increases the productivity of the walkthrough. See Prebid Walkthroughs, section 9721.09.

9740.02 SUBCONTRACTOR PREQUALIFICATION

Campuses may request prequalification of the major subcontractors for a large, complicated project: specifically mechanical, electrical and plumbing subcontractors, and possibly other specialty subcontractors as the needs of the project dictate, i.e. food services, swimming pools, etc. CPDC's prequalification administrator will perform the subcontractor prequalification, and it shall be project specific. Subcontractor prequalification documents are available on the CPDC website, and campuses may download them *and* customize them for a particular project. A menu of experience requirements is included in these forms to assist the campuses in drafting the document. Campuses shall consult with CPDC's chief of construction services on this decision, and shall e-mail the prequalification form to CPDC's prequalification administrator (cocm.prequal@calstate.edu) prior to the advertisement for this requirement, along with the name of the project administrator, to whom she can send a copy of the prequalification letter. The prequalification letter shall state whether or not the subcontractor has met the requirements for prequalification for the specific project.

Note that when implementing a subcontractor prequalification, the campuses must advertise this requirement. When drafting the prequalification requirement in their specifications, campuses should identify the particular trades for which prequalification will be required, and a subcontractor prequalification submittal deadline. Campuses shall also specify that the prequalified subcontractors will be listed in an addendum, and if the subcontractor is not included in that addendum, then that

subcontractor may not submit a bid.

9740.03 SUBCONTRACTOR PREQUALIFICATION FOR DESIGN-BUILD, COLLABORATIVE DESIGN-BUILD, CM AT RISK, AND TASK ORDER-CONSTRUCTION AGREEMENTS

Prequalification of major subcontractors is a requirement contained in the contract general conditions and requests for proposals for all Design-Build, Collaborative Design-Build, CM at Risk, and Task Order-Construction Agreement projects. The Design-Builder or CM at Risk is to prequalify all of its major trade contractors (mechanical, electrical, plumbing, or any trade that is greater than five percent of the construction budget). Sample forms are available online on the CPDC website for the Design-Builder or CM at Risk to use, or they may use their own forms as long as they incorporate the Trustees' requirements into their documents. Campuses shall ensure that the Design-Builder or CM at Risk is performing this process by requesting the following documentation for the project file:

- a report on the prequalification process for the project identifying how the subcontractor prequalification was implemented in the contract documents, confirming that the Design-Builder or CM at Risk incorporated the CSU trade prequalification format into their own prequalification documents, and providing results, i.e. how many contractors in each trade were prequalified, etc;
- a copy of the Design-Builder or CM at Risk prequalification document; and
- a copy of each contractor's submitted prequalification document.

9741 BIDDER (GENERAL CONTRACTOR) PREQUALIFICATION REQUIREMENTS

Prequalification of bidders is required on all major capital outlay projects (projects for which estimated construction costs exceed the [value of a minor capital outlay project](#)), found in the biannual Budget Letter bulletin, on the [CPDC Bulletin webpage](#), pursuant to the first paragraph of Public Contract Code section 10108. The current maximum value of a minor capital project is updated on a biannual basis by the Department of Finance. The Department of Finance Budget Letters can be found online at <https://dof.ca.gov/budget/resources-for-departments/budget-letters/>. Prequalification of bidders is optional for minor capital outlay projects. The Trustees shall not issue standard bid proposal forms to bidders until the bidders have been prequalified, and shall disregard bids not presented on standard bid proposal forms.

As required by Public Contract Code section 10760 *et seq.* prospective bidders (general contractors) must submit a completed prequalification application online at [the Planet Bids website](#). The application includes a comprehensive statement of the bidder's financial ability and experience in performing public works, and bidders must submit the application online not later than ten (10) business days prior to the date fixed for publicly opening sealed bids and be prequalified at least one day prior to the bid opening

date. See section 9723 "ADVERTISING FOR BIDS" for additional details on advertisement duration requirements. Upon receipt of the prequalification applications, the CPDC's prequalification administrator then applies a uniform system of rating bidders to determine the size of projects upon which each is qualified to bid. Completed questionnaires and financial statements are confidential and not open to public inspection.

Joint Venture: If two or more prospective bidders/contractors wish to bid a project as a joint venture, the following apply:

1. All firms involved in the joint venture must separately submit an online application for prequalification not later than 10 business days prior to bid opening, and register with the [Department of Industrial Relations](#) to bid on public works projects.
2. The firms must all sign and submit one [Affidavit of Joint Venture](#) form five days prior to bid opening, and each member of the joint venture must be prequalified one day prior to bid opening. Submit the affidavit of joint venture form with all members' signatures to the office that distributes the project bid documents.
3. Only one joint venture member's prequalification rating, or the combination of all joint venture members' prequalification ratings, shall meet the project's advertised cost.
4. The joint venture must have the required license in the name of the joint venture at the time of award.
5. If attendance at the project's prebid job walk is mandatory, only one of the firms in the joint venture needs to attend.

9742 FORMULA IN CALCULATING THE PREQUALIFICATION RATING

Maximum prequalification ratings by the Trustees are based on ten times working capital, subject to adjustment for experience and performance factors. Particular attention is called to the requirement that the certification by the public accountant must express an unqualified opinion, or, a qualified opinion that does not negate an opinion on the statements as a whole, in order to receive a "ten times working capital" prequalification.

CPDC's prequalification administrator will issue a letter to each prospective bidder that provides bidder's safety score and its prequalification rating along with an expiration date for that rating. The prospective bidder's available prequalification rating provided (prequalification rating minus receivables on contracts that bidder may have with the Trustees) will be the maximum amount of a contract or contracts that the bidder may undertake with the Trustees (refer to SUAM section 9746).

9743 TIME LIMIT ON PREQUALIFICATION STATEMENTS

A contractor's prequalification statements are valid until the financial information shown on them is fifteen months old. This allows a firm three months to resubmit following the effective date on its annual financial statement and to maintain continuous prequalification.