

**DEPARTMENT OF STATE HOSPITALS  
FINAL STATEMENT OF REASONS**

California Code of Regulations  
Title 9. Rehabilitative and Developmental Services  
Division 1. Department of Mental Health  
Chapter 16. State Hospital Operations  
Article 5. Contracts

**UPDATE OF THE INFORMATION CONTAINED IN THE INITIAL STATEMENT OF REASONS**

There are no updates to the Initial Statement of Reasons.

**LOCAL MANDATE DETERMINATION**

The Department has determined that the proposed regulations do not impose a mandate on local agencies or school districts.

**SUMMARY OF EACH OBJECTION OR RECOMMENDATION MADE REGARDING THE PROPOSED REGULATIONS**

No objections or recommendations were received either during the public hearing or in writing during the 45-day public comment period regarding these proposed regulations.

**ALTERNATIVE DETERMINATIONS**

The Department has determined there are no other reasonable alternatives that would be more effective in carrying out the purpose for which the regulation is proposed; would be more effective and less burdensome to affected private persons than the adopted regulation; or would be more cost effective to affected private persons and equally effective in implementing the statutory policy of other provision of law.

**REASONS FOR REJECTING ANY PROPOSED ALTERNATIVES THAT WOULD LESSEN THE ADVERSE ECONOMIC IMPACT ON SMALL BUSINESSES.**

These regulations will not impose an adverse economic impact on small businesses. Small businesses may continue to compete for these contracts directly with the Department of State Hospitals.

The benefits derived from the proposed regulations are the following:

- Allows the Department of State Hospitals to contract with firms for fair and reasonable costs at the time the contract is selected;

- Allows the Department flexibility in awarding contracts that are less complex and more technical in nature through the competitive bid process;
- Allows the Department to respond quickly to legislative changes and safety aspects for protecting patients and the staff;
- Allows the Department to be able to independently administer and manage architectural, landscape architectural, engineering, environmental, land surveying and construction project management contracts in order to save time and costs.