

City Manager's Report
November 22, 2011 City Council Meeting
Prepared by: Randy Pesses, Director of Public Works
Item #: 10.2



Subject: Waive the First Reading of and Introduce the Attached Ordinance of the City Council:

1. Amending Section 1-6A-1 of the Placerville City Code to update the informal bidding procedures under the Uniform Public Construction Cost Accounting Act (Section 22000, et seq., of the Public Contract Code); and
2. Adopt a Resolution whereby the City elects to be subject to the uniform construction cost accounting procedures set forth in the Uniform Construction Cost Accounting Act.

Discussion: City Code Chapter 1-6A "Informal Bidding Procedures Under the Uniform Public Construction Cost Accounting Act," stipulates procedures and dollar thresholds for what types of contracts and bidding procedures may be used for Public Works projects. Some background on the Uniform Public Construction Cost Accounting Act (the Act) may be helpful:

The Act is a program created in 1983 which established a monetary threshold (currently \$30,000) for local agencies to perform public project work with its own work force if the agency elects to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual of the California Uniform Construction Cost Accounting Commission (Commission). The Act is enacted under Public Contract Code Section 22000 through 22045 (hereafter abbreviated as PCC 22000-22045).

The Act also provides for alternative bidding procedures when an agency performs public project work by contract:

- A. Public projects of \$30,000 or less may be performed by negotiated contract or by purchase order (PCC 22032[a]).
- B. Public projects of \$125,000 or less may be let to contract by the informal procedures set forth in the Act (PCC 22032[b]).
- C. Public projects of more than \$125,000 shall be let to contract by formal bidding procedures (PCC 22032[c]).

Every five years, the Commission shall consider whether there have been material changes in public construction costs and make recommendations to the State Controller regarding adjustments to the bidding procedure monetary limits (PCC 22020).

The limits of \$25,000 and \$75,000 as prescribed in the current City Ordinance should be revised to reflect the current dollar amounts in the Act. The Act allows local jurisdictions to follow the procedures set forth in the Act, including utilizing the dollar amounts set forth for determining the procedure for awarding contracts, provided that the jurisdiction adopts a Resolution electing

to be subject to the procedures set forth in the Act and, of course, amend its Ordinance accordingly. The proposed Ordinance language and Resolution allow the City Code to reflect future adjustments as the Act may from time to time be amended.

Cost: There is no direct cost impact associated with this Ordinance amendment, however, negotiated contracts and the informal bidding process are less costly to administer and there will therefore be potential savings in contract administration costs.

Budget Impact: There is no budget impact as a result of amending the Ordinance.

Recommendation: Waive the First Reading of and Introduce the Attached Ordinance of the City Council:

1. Amending Title 1, Chapter 6, Article A of the Placerville City Code to update the informal bidding procedures under the Uniform Public Construction Cost Accounting Act (Section 22000, et seq., of the Public Contract Code); and
2. Adopt a Resolution whereby the City elects to be subject to the uniform construction cost accounting procedures set forth in the Uniform Construction Cost Accounting Act.



M. Cleve Morris, City Manager



Randy Pesses, Director of Public Works

ORDINANCE NO. _____

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE
AMENDING SECTION 1-6A-1 OF THE PLACERVILLE CITY CODE TO UPDATE
THE INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC
CONSTRUCTION COST ACCOUNTING ACT (SECTION 22000, ET SEQ., OF THE
PUBLIC CONTRACT CODE)**

WHEREAS, the State of California Public Contract Code has been amended regarding the dollar amount limitations for which public projects can be performed by city forces, negotiated contract, informal or formal bidding procedures; and

WHEREAS, the City of Placerville desires to be subject to the uniform construction cost accounting procedures set forth in Division 2, Part 3, Chapter 2, Article 2 (commencing with Section 22010) of the California Public Contract Code; and

WHEREAS, Placerville City Code Section 1-6A-1 references dollar amounts inconsistent with the current code and should therefore be revised,

NOW, THEREFORE, the City Council of the City of Placerville does hereby ordain as follows:

Section 1-6A-1, "Contracting Procedures; Dollar Amount Limitations," of the Placerville City Code shall be amended in its entirety to read as follows:

"1-6A-1: CONTRACTING PROCEDURES; DOLLAR AMOUNT LIMITATIONS:

- (A) The City Council of the City of Placerville hereby elects to be subject to the uniform construction cost accounting procedures set forth in Division 2, Part 3, Chapter 2, Article 2 (commencing with Section 22010) of the California Public Contract Code. The dollar amounts set forth herein below shall be subject to any amendments to California Public Contract Code Section 22032 as said section may be amended from time to time.
- (B) "Public projects," as defined by the Uniform Public Construction Cost Accounting Act ("the Act") (commencing with Public Contract Code Section 22000), of less than thirty thousand dollars (\$30,000), or the current amount in Section 22032 of the Public Contract Code as it may from time to time be amended, may be performed by the employees of the city by force account, by negotiated contract, or by purchase order.
- (C) Public projects of less than one hundred twenty-five thousand dollars (\$125,000), or the current amount in Section 22032 of the Public Contract Code as it may from time to time be amended, may be let to contract by informal procedures as set forth in the Act.

- (D) Public projects of more than one hundred twenty-five thousand dollars (\$125,000), or the current amount in Section 22032 of the Public Contract Code as it may from time to time be amended, shall, except as otherwise provided, be let to contract by formal bidding procedure.”

The above Ordinance was introduced at a regular meeting of the City Council of the City of Placerville on November 22, 2011, by Councilmember _____, and it was read for the first time. The Ordinance was read for the second time on _____, and Councilmember _____ moved its adoption. The motion was seconded by Councilmember _____. A poll vote was taken, which stood as follows:

AYES:
NOES:
ABSENT:
ABSTAIN:
RECUSED:

Mark A. Acuna, Mayor Pro Tem

ATTEST:

Susan Zito, City Clerk

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF PLACERVILLE ELECTING TO BE SUBJECT TO THE UNIFORM
CONSTRUCTION COST ACCOUNTING PROCEDURES SET FORTH IN THE
UNIFORM CONSTRUCTION COST ACCOUNTING ACT**

WHEREAS, the State of California Public Contract Code has been amended regarding the dollar amount limitations for which public projects can be performed by city forces, negotiated contract, informal or formal bidding procedures; and

WHEREAS, the City of Placerville desires to be subject to the uniform construction cost accounting procedures set forth in Division 2, Part 3, Chapter 2, Article 2 (commencing with Section 22010) of the California Public Contract Code,

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Placerville hereby elects to be subject to the uniform construction cost accounting procedures set forth in Division 2, Part 3, Chapter 2, Article 2 (commencing with Section 22010) of the California Public Contract Code.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on November 22, 2011, by Councilmember _____, who moved its adoption. The motion was seconded by Councilmember _____. A poll vote was taken which stood as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mark A. Acuna, Mayor Pro Tem

ATTEST:

Susan Zito, City Clerk