

BOARD REPORT NO. 11-7-2C

TO: Members of the Board of Trustees
FROM: Ron Galatolo, Chancellor
PREPARED BY: Rick Bennett, Executive Director Construction Planning, 358-6752

**INFORMAL BID LIMIT INCREASE
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT**

The District, acting in response to the February 24, 2007 Board Retreat, recommended to the Board of Trustees the adoption of a resolution to become subject to the California Uniform Public Construction Cost Accounting Act (CUPCCAA). This Act is available to special districts, cities and counties of California under Public Contract Code Section 22000. The adoption of this resolution occurred at the May 9, 2007 Board Meeting. As a result of this action, the District raised the minimum required bid for small public works projects from \$15,000 to \$125,000. In addition, the District was afforded the flexibility to negotiate with contractors for projects under \$30,000 and to use informal bidding on projects less than \$125,000, but greater than \$30,000 within the spirit of open accountability.

On April 25, 2011, the State Controller's Office issued a statewide letter stating that the informal bid limit prescribed by section 22032 of the Public Contract Code was increased from \$125,000 to \$175,000 effective July 1, 2011. The increase is pursuant to the terms of the Uniform Public Construction Cost Accounting Act and is at the recommendation of the California Uniform Construction Cost Accounting Commission. The Commission left the \$30,000 limit unchanged. A formal bid is required for public works greater than \$175,000.

The District has used this procurement tool effectively since May 2007. The District has been able to speed up the design, construction and delivery of small projects. Staff has implemented much needed changes to college facilities in an efficient manner, limiting overhead costs, while offering small projects to prequalified local and emerging contractors. The District has used CUPCCAA on a wide variety of small projects, including general office and classroom remodels, plumbing, electrical, lighting, mechanical and data upgrades, and small hardscape and landscaping projects at all three colleges.

Given the increase to the informal bid amount under CUPCCAA, the District will process small projects as follows:

- **\$0-\$30,000 - No Bid.** CUPCCAA exempts this size of project from bidding requirements; the District will negotiate a contract or procure the job by purchase order.
- **\$30,000-\$175,000 - Informal Bid.** Bid award to the qualified contractor submitting the lowest quote through an informal bidding process. Bid, performance and payment bonds continue to be required of all contractors doing work under CUPCCAA. Board action is not required with an informal bid. The District reserves the right to bid a project in this range formally.
- **Over \$175,000 - Formal Bid.** Requires advertisements in a local paper with 14-day advance notice. Trade Journals are notified 30 days in advance. Requires Board approval.

This report is for informational purposes and serves to update the Board of Trustees on the change to the informal bid limits increased under CUPCCAA. Since the Board has adopted a resolution making the District subject to the Act and the change is pursuant to the authority of the California Uniform Construction Cost Accounting Commission, no Board action is required.