

TO: Members of the Board of Trustees

FROM: Ron Galatolo, Chancellor-Superintendent

PREPARED BY: Rick Bennett, Executive Director Construction Planning, 358-6752

**ADOPTION OF RESOLUTION NUMBERS 07-3 AND 07-4
CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT**

In response to the February 24, 2007 Board Retreat and specifically to 2007 Board Goal number 19, the Construction Planning Department is recommending that the Board of Trustees adopt a resolution to become subject to the California Uniform Public Construction Cost Accounting Act. The adoption of this Act effectively enables the District to raise the minimum required bid for small public works projects from \$15,000 to \$125,000. Further, the Act allows the District 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. Aside from the economic benefits, the program provides added conveniences, such as greater freedom in expediting public works projects yet within the spirit of open accountability.

Under Public Contract Code (Section 22003) the District may elect to adopt the uniform construction cost accounting procedures. Adoption of this Act is commonplace in California. Currently more than 128 cities, 9 community college districts, 111 school districts, 32 counties and more than 256 special districts have adopted the Act. Created in 1983 and revised by the California State Controller in April 2005, the Uniform Public Construction Cost Accounting Act is a voluntary program available to all state departments and agencies.

Currently, when contracting for public works construction, the District is subject to Public Contract Code 20651. PCC 20651 states that "The Governing Board shall let any contract for a public project, as defined in subdivision (c) of Section 22002, involving an expenditure of fifteen thousand dollars (\$15,000) or more to the lowest responsible bidder who shall give security as the Board requires, or else reject all bids." The State of California has not updated the bid limit of \$15,000 since the code went into effect, nor has the state adjusted the limit over time for inflation. Accordingly, an abnormally low ceiling for public works construction exists. This low ceiling presents problems for District Planning and Construction.

- Providing a detailed list of specifications for formal bids on small projects disproportionately adds significant cost and time – up to twelve weeks – without increased benefit to the District.
- The formal bidding process limits the flexibility of the District to contract with local firms on smaller projects because a public bid is open to all contractors regardless of where they are domiciled.
- Small projects are often program driven and facilities needs to react quickly to the campuses' requests. Adoption of the CPUCCAA will allow Planning and Construction to be more responsive to our campuses' needs.
- On smaller jobs, many of local and emerging contractors do not have the time, the desire, the background, or the workforce in place to migrate through the District's formal bid documents. They are used to providing quotes on projects and going to work. The change of the bid threshold to the limits allowed under the CUPCCAA will make it easier for these contractors to do business with the district.

Adopting the CUPCCAA will allow the District to manage small projects efficiently and effectively. Further, it will benefit local and emerging contractors who are deemed “qualified” bidders for Projects let by the informal bidding procedures. Many of these local contractors are strong supporters of the District; the additional contracting opportunities afforded through the informal bidding process should serve to strengthen the ties between the local contracting community and the District.

The District would be required to update its current ABC prequalification process, following the processes outlined under the Act. The District will maintain a list of qualified contractors according to the categories of work that they perform. During November of each year, the District would solicit contractors through construction trade journals, inviting all licensed contractors to submit their names and qualifications of their firms to the District for consideration and inclusion in the District’s list of qualified bidders for the following calendar year. The District will have the flexibility to add additional Contractors to the list as requested during the course of the following year. The cost accounting requirements follow those common to the construction industry and are already in practice at the District, so there is no anticipated change in our accounting required.

If approved, 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-\$125,000 - Informal Bid.** Would be let to the qualified contractor submitting the lowest quote through an informal bidding process. The District would still reserve the right to bid a project in this range formally, if desired. Bid bonds, performance bonds, and payment bonds would continue to be required of all contractors doing work under these provisions.
- **Over \$125,000 - Formal Bid.** Requires one advertisement in a local paper with 14-day advance notice. Trade Journals are notified 30 days in advance. Requires Board approval.
- If the District receives **no bids** through the informal or formal bidding procedures, the Act authorizes the District by Section 22038(c) to have the Project completed by negotiated contract, which complies with bidding procedures.

Currently, there are no membership requirements or dues associated with the adoption of the Act. The Board of Trustees must adopt two resolutions for this process.

RECOMMENDATION

The District recommends that the Board of Trustees elect by resolution to become subject to the uniform construction cost accounting procedures promulgated by the Controller pursuant to Public Contract Code Section 22000.

RESOLUTION NO. 07-3

RESOLUTION OF THE GOVERNING BOARD OF SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT REGARDING THE ELECTION TO BECOME SUBJECT TO THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES.

WHEREAS, prior to the passage of Assembly Bill No. 1666, Chapter 1054 Stats. 1983, which added Chapter 2 commencing with Section 22000 to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

WHEREAS, Public Contract Code Section 22000 et seq., the Uniform Public Construction Cost Accounting Act, (“the Act”) establishes such a uniform cost accounting standard; and

WHEREAS, the Commission established under the Act has developed uniform public construction cost accounting procedures for implementation by local public agencies in the performance of or in the contracting for construction of public projects;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of San Mateo County Community College District hereby elects under Public Contract Code Section 22030 to become subject to the uniform public construction cost accounting procedures set forth in the Act and to the Commission’s policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended, and directs that the President or the President’s designee notify the State Controller forthwith of this election.

PASSED AND ADOPTED by the Governing Board of the San Mateo County Community College District in San Mateo, California, this 9th day of May, 2007, by the following vote:

Ayes:

Nays:

Absent:

Abstentions:

Attest: _____

Richard Holober
Vice President-Clerk, Board of Trustees

RESOLUTION NO. 07-4

**RESOLUTION OF THE BOARD OF TRUSTEES OF SAN MATEO COUNTY
COMMUNITY COLLEGE DISTRICT REGARDING THE ENACTING OF
INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC
CONSTRUCTION COST ACCOUNTING ACT**

WHEREAS, the District has adopted the uniform public construction cost accounting procedures set forth in the Uniform Public Construction Cost Accounting Act (the "Act") set forth at California Public Contract Code Section 22000 et seq.; and

WHEREAS, pursuant to the Act, if a public entity adopts the uniform public construction cost accounting procedures, such public agency may, in its discretion, adopt and implement the alternative bidding procedures and certain informal bidding procedures set forth in the Act commencing at California Public Contract Code Section 22030 et seq.;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of San Mateo County Community College District hereby elects to become subject to the alternative bidding procedures set forth in the Act and hereby adopts the following informal bidding procedures:

INFORMAL BID PROCEDURES

Public projects, as defined in the Act, of One Hundred Twenty-Five Thousand Dollars (\$125,000) or less may be let to contract by informal procedures as set forth in Sections 22032 et seq., of the California Public Contract Code.

LIST OF CONTRACTORS

A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the California Public Contract Code and criteria promulgated from time to time by the California Uniform Cost Accounting Commission. The list shall set forth the different categories of trade work that each listed contractor is qualified to perform on behalf of the District.

NOTICE INVITING INFORMAL BIDS

Where a public project is to be performed which is subject to the provisions of this policy, a notice inviting formal bids (which shall describe the project in general terms and how to obtain more detailed information about the project, including the time and place for submissions of bids) shall be mailed to: (1) all contractors for the category of work to be bid as shown in the list of contractors developed pursuant to this Resolution above, or (2) all trade journals specified in the California Uniform Cost Accounting Commission for San Mateo County in accordance with section 22036 of the California Public Contract Code, or (3) both such contractors with such trade journals. All mailing of notices to the contractors and/or trade journals described above shall be completed not less than ten (10) calendar days prior to the date that the bids are due. Additional contractors and/or construction trade journals may be notified at the discretion of the Executive Vice Chancellor of Facilities, the Executive Directors of Construction Planning and/or the Director, General Services; provided that:

- (1) If there is no list of qualified contractors maintained by the District for the particular category of work to be performed, the notice inviting bids shall be sent to the construction trade journals specified by the Commission and such other contractors and trade journals as the Executive Vice Chancellor of Facilities, the Executive Directors of Construction Planning and/or the Director, General Services may determine; and

- (2) If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

AWARD OF CONTRACTS

The Board of Trustees will award informal contracts pursuant to this policy. If the lowest bid submitted by a responsible bidder exceeds \$125,000, but does not exceed \$137,500, the Board may nevertheless award the contract to such lowest responsible bidder if it determines, by 4/5th vote, that the cost estimate of the public agency was reasonable.

The Executive Vice Chancellor of Facilities, the Executive Directors of Construction Planning and/or the Director, General Services are each authorized, without further action or authorization of the Board of Trustees, to award contracts bid pursuant to the informal bidding procedures adopted by these resolutions (Public Contract Code Section 22034(e) allows the governing body of the public agency to delegate the authority to award informal contracts).

EFFECTIVE DATE

This resolution shall take effect and be in force as of the date of enactment.

PASSED AND ADOPTED by the Board of Trustees of the San Mateo County Community College District in San Mateo, California, this 9th day of May, 2007, by the following vote:

Ayes:

Nays:

Absent:

Abstentions:

Attest: _____

Richard Holober
Vice President-Clerk, Board of Trustees