



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 5/1/2012

Agenda Placement: 7H

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Lederer, Steven - Interim Director of Public Works  
Public Works

**REPORT BY:** Juan Arias, ENGINEERING MANAGER PUBLIC WORKS - 259-8374

**SUBJECT:** Uniform Public Construction Cost Accounting Act Ordinance - Increasing Informal Bidding Limits  
(2nd reading)

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### **RECOMMENDATION**

Interim Director of Public Works requests the second reading and adoption of an ordinance amending Napa County Code Sections 2.38.010, 2.38.040, and 2.38.050 to Increase the Informal Bidding Thresholds and Contracting Authority of the Purchasing Agent and Director of Public Works under the Uniform Public Construction Cost Accounting Act (Section 22000, et seq. of the Public Contract Code).

**ENVIRONMENTAL DETERMINATION:** The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **EXECUTIVE SUMMARY**

On September 28, 2010 the Board approved the second reading and adoption of an ordinance amending County Code Section 2.36.040 (Specific Duties Designated) relating to the duties of the Purchasing Agent and adding a new Chapter 2.38 (Informal Bidding Procedures) to Title 2 of the Napa County Code to provide informal bidding procedures under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (Section 22000, Et Seq. of the Public Contract Code). By adopting the ordinance the Board delegated the authority to award informally bid public works contracts to the Purchasing Agent and Director of Public Works.

In the Spring of 2011 the California State Controller advised public agencies of action by the Uniform Construction Cost Accounting Commission to increase the informal bid limit pursuant to Public Contract Code Section 22032 effective for the fiscal year beginning July 1, 2011. On October 9, 2011 the Governor signed into law AB 720 which officially amended the statutes to recognize the action by the Commission. The act now provides for the following:

- Public projects of \$45,000 (previously \$30,000) or less may be performed by the County's own forces, negotiated contract, or by purchase order (PCC 22032(a)).

- Public projects of \$175,000 (previously \$125,000) or less may be let to contract by the informal procedures set forth in the Act (PCC 22032(b)); however if all bids received are in excess of \$175,000 (previously \$125,000), the Board may, by adoption of a resolution by a four-fifths vote, award the contract, at \$187,500 (previously \$137,500) or less, to the lowest responsible bidder, if the Board determines the cost estimate was reasonable (PCC 22034(f)).
- Public projects of more than \$175,000 (previously \$125,000) shall be let to contract by formal bidding procedures (PCC 22032(c)) except as otherwise provided in PCC 22034(f).

Given the efficiencies/benefits realized from the implementation of CUPCCAA staff recommends that the Board approve increasing the authority delegated to Director of Public Works and the Purchasing Agent to match the newly authorized limits described above and make other technical updates to the code to address changes in state law.

On April 17, 2012 the Interim Director of Public Works requested and the Board approved for the first reading and intent to adopt an ordinance amending Napa County Code Sections 2.38.010, 2.38.040, and 2.38.050 to Increase the Informal Bidding Thresholds and Contracting Authority of the Purchasing Agent and Director of Public Works under the Uniform Public Construction Cost Accounting Act (Section 22000, et seq. of the Public Contract Code). The purpose of this item is for the second reading and adoption of the ordinance.

### **FISCAL IMPACT**

Is there a Fiscal Impact?                      No

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

On September 28, 2010 the Board approved the second reading and adoption of an ordinance amending County Code Section 2.36.040 (Specific Duties Designated) relating to the duties of the Purchasing Agent and by adding a new Chapter 2.38 (Informal Bidding Procedures) to Title 2 of the Napa County Code to provide informal bidding procedures under the California Uniform Public Construction Cost Accounting Act (CUPCCAA) (Section 22000, Et Seq. of the Public Contract Code). By adopting the ordinance the Board delegated the authority to award informal contracts to the Director of Public Works and to the Purchasing Agent.

The Act at that time provided for the following alternative bidding procedures:

- Public projects of \$30,000 or less may be performed by negotiated contract or by purchase order (PCC 22032(a)).
- Public projects of \$125,000 or less may be let to contract by the informal procedures set forth in the Act (PCC 22032(b)); however if all bids received are in excess of \$125,000, the Board may, by adoption of a resolution by a four-fifths vote, award the contract, at \$137,500 or less, to the lowest responsive and responsible bidder, if the Board determines the cost estimate was reasonable (PCC 22034(f)).
- Public projects of more than \$125,000 shall be let to contract by formal bidding procedures (PCC 22032(c))

except as otherwise provided in PCC 22034(f).

#### **A. Benefits of CUPCCAA:**

As expected, CUPCCAA alternative bidding procedures have saved significant time and money on the delivery of smaller public construction projects. This is due to the fact that:

- No informal or formal bidding is required for projects costing less than \$30,000.
- Property management staff may deliver through own forces, purchase order or negotiated contract more routine public works projects costing up to \$30,000.
- Plans and specifications are not required for projects costing less than \$125,000.
- No advertisement in newspapers is required for projects costing less than \$125,000.
- Staff time preparing reports to the Board is not required since Board action is not required for projects costing less than \$125,000.

It is to be noted that the Board may discontinue the County's participation under the CUPCCAA at any time by adopting a resolution stating this fact. A copy of the resolution would then be filed with the Office of the State Controller.

#### **B. Implementation of CUPCCAA in Napa County to date:**

Since the Board approved opting into CUPCCAA in the fall of 2010, the following contracts have been awarded under the provisions of CUPCCAA:

##### 1. Projects under \$30,000:

<b><u>Project</u></b>	<b><u>Contract Amount</u></b>	<b><u>Contractor and Place of Business</u></b>
Hall of Justice Boiler Replacement (2011)	\$23,932	Bell Products, Napa
Hall of Justice Boiler Replacement (2012)	\$26,086	Bell Products, Napa
Hall of Justice Cooling Tower Repairs	\$12,597	Bell Products, Napa
Greenwood Fire Station Re-carpeting	\$8,083	Carston Interior Inc., Napa
Bella House Gutter Replacement	\$2,582	Modern Method Roofing, Napa
Napa Library Roof Repairs	\$12,642	Modern Method Roofing, Napa
Airport Gas Line Modifications	\$20,402	Binstock Enterprise, Napa
Napa State Hospital M1 & M2 Improvements	\$23,900	Creative Construction, Napa
HHSA Bldg. K Ramp Replacement	\$15,280	Emil Meyers Construction, Napa
<b>TOTAL</b>	<b>\$145,504</b>	

##### 2. Projects greater than \$30,000 and less than \$125,000:

<b><u>Project</u></b>	<b><u>Contract Amount</u></b>	<b><u>Contractor and Place of Business</u></b>
HHSA Clinic Ole	\$81,999	Griffin Molinari, Napa
Hall of Justice Elevator Repairs	\$84,112.50	Empire Elevator, Petaluma
Crawford Facility Investigatory Demolition	\$46,700	Cal Inc., Vacaville
Administration Building Cold Room HVAC Replacement	\$85,295	American Mechanical, Walnut Creek
Animal Shelter Flooring Replacement	\$45,554	RP Coating, Hayward
<b>TOTAL</b>	<b>\$343,660.50</b>	

Through the delivery of the above projects under the provisions of CUPCCAA, the following efficiencies/benefits have been realized:

- Design time and cost savings on those projects where the preparation of plans and specifications was not warranted;
- Considerable reduction in time required to bid and award a contract; approximately 1-1/2 to 2 months was saved in each case. This is very important for projects that were urgent, such as the Hall of Justice Boiler and Cooling Tower Repairs as well as the Napa State Hospital M1 and M2 Improvements;
- Cost savings in the bidding of projects since the bidding process for the above projects was much more streamlined.

**C. Implementation of CUPCCAA in Napa County to date and Local Vendor Preference Policies:**

As reported to the Board on June 8, 2010 as part of the Local Vendor Preference presentation, CUPCCAA allows for the possibility of local construction firms to be awarded business for the following reasons:

1. Since CUPCCAA allows public projects with an estimated construction cost of \$30,000 or less to be performed by negotiated contract or by purchase order, where allowed by law, staff requested quotes from qualified local companies in the immediate area first for these smaller projects. Quotes were only requested from a wider area if qualified local companies were not available or the price quotes from local companies were deemed too high.
2. Under the CUPCCAA, for projects with an estimated construction cost between \$30,000 and \$125,000, the County establishes an annual list of contractors, identified according to categories of work. In issuing request for informal bids, the County is required to send a request for bid to each listed firm within the category of work needed. The County is also required to notify a mandated list of professional trade journals. Although out-of-County firms need to be given an opportunity to participate, local firms have the assurance of inclusion in the RFP distribution for the category of work they are qualified to perform by virtue of current applicable contractor's license and the bid process is significantly less complex and more cost effective. Stakeholder meetings took place between County staff and local vendors in 2010 to explore ways for improved outreach and participation of local vendors in County projects. Local construction companies participating in the stakeholder meetings indicated that this would be of benefit to them in competing for local projects.

**D. New CUPCCAA Limits:**

In the Spring of 2011 the California State Controller advised public agencies of action by the Uniform Construction Cost Accounting Commission to increase the informal bid limit pursuant to Public Contract Code Section 22032 effective for the fiscal year beginning July 1, 2011. On October 9, 2011 the Governor signed into law AB 720 which officially amended the statutes to recognize the action by the Commission. The act now provides for the following:

- Public projects of \$45,000 (previously \$30,000) or less may be performed by negotiated contract or by purchase order (PCC 22032(a)).
- Public projects of \$175,000 (previously \$125,000) or less may be let to contract by the informal procedures set forth in the Act (PCC 22032(b)); however if all bids received are in excess of \$175,000 (previously \$125,000), the Board may, by adoption of a resolution by a four-fifths vote, award the contract, at \$187,500 (previously \$137,500) or less, to the lowest responsible bidder, if the Board determines the cost estimate was reasonable (PCC 22034(f)).
- Public projects of more than \$175,000 (previously \$125,000) shall be let to contract by formal bidding procedures (PCC 22032(c)) except as otherwise provided in PCC 22034(f).

## Current CUPCCAA Allowance

<b>Under \$30,000 May be performed by Force Account, Negotiated Contract or Purchase Order</b>	<b>Over \$30,000 but less than \$125,000 May be let to contract by the informal procedures set forth in the Act</b>	<b>Above \$125,000 Shall be let to contract by formal bidding procedures</b>
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## New CUPCCAA Allowance Per Commission and AB 720

<b>Under \$45,000 May be performed by Force Account, Negotiated Contract or Purchase Order</b>	<b>Over \$45,000 but less than \$175,000 May be let to contract by the informal procedures set forth in the Act</b>	<b>Above \$175,000 Shall be let to contract by formal bidding procedures</b>
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Given the efficiencies/benefits realized from the implementation of CUPCCAA staff recommends that the Board approve continued delegation of the authority to execute construction contracts subject to CUPCCAA to the Director of Public Works and the Purchasing Agent within the newly authorized limits described above.

**SUPPORTING DOCUMENTS**

- A . Ordinance - Tracked
- B . Ordinance - Clean

CEO Recommendation: Approve

Reviewed By: Molly Rattigan