



Agenda Date: 4/4/2013

Agenda Placement: 7A

**NAPA-VALLEJO WASTE
MANAGEMENT AUTHORITY**

**Napa-Vallejo Waste Management Authority
Board Agenda Letter**

TO: Board of Directors
FROM: Luthy, Richard - Executive Director
Napa-Vallejo Waste Management Authority
REPORT BY: Richard Luthy, Executive Director, Napa-Vallejo Waste Management - 707-299-1314
SUBJECT: Uniform Public Construction Cost Accounting Implementation

RECOMMENDATION

9:00 A.M. PUBLIC HEARING:

UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT IMPLEMENTATION

REQUESTED ACTION: First reading and intention to adopt Ordinance 2013-04 to Provide Informal Bidding Procedures 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

Public Contract Code Sections 22000-22045, known as the Uniform Public Construction Cost Accounting Act (UPCCAA) allow for simplified alternative procedures for bidding and awarding public construction projects in certain circumstances. The UPCCAA applies to public works projects and contracts that typically involve the construction; remodeling; repair; or renovation of public buildings, roads, and other public improvements owned or to be used by the public agency. It does not apply to contracts for supplies, equipment, or services. While the Act may apply to maintenance work, staff does not recommend opting into the Act for maintenance work since maintenance work is currently not subject to the bidding requirements that public works projects are. Opting into the Act for maintenance work would require following cost accounting procedures which are currently not required.

Many jurisdictions have opted into UPCCAA since the allowed alternative bidding procedures save time and money on the delivery of smaller public construction projects, including the County of Napa on September 28, 2010. This is due to the fact that:

- No informal or formal bidding is required for projects costing less than \$45,000
- Property Management staff may perform through its own forces, purchase order, or negotiated contract, more routine public works projects costing up to \$45,000
- Plans and specifications are not required for projects costing less than \$175,000
- No advertisement in newspapers is required for projects costing less than \$175,000
- Staff time preparing reports to the Board is not required since Board action is not required for projects costing less than \$175,000

It is to be noted that the Board may discontinue the Authority's participation under the UPCCAA 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.

The following is the recommended UPCCAA implementation timeline:

- Adoption of the attached Ordinance setting forth the requisite Information Bidding Procedures - April 4, 2013 (introduction and first reading) and May 2, 2013 (second reading and adoption)
- UPCCAA implementation - June 3, 2013

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

Public Contract Code Sections 22000-22045, known as the Uniform Public Construction Cost Accounting Act (UPCCAA) allow for simplified alternative procedures for bidding and awarding public construction projects in certain circumstances. The UPCCAA applies to public works projects and contracts that typically involve the construction; remodeling; repair; or renovation of public buildings, roads, and other public improvements owned or to be used by the public agency. It does not apply to contracts for supplies, equipment, or services. While the Act may apply to maintenance work, staff does not recommend opting into the Act for maintenance work since maintenance work is currently not subject to the bidding requirements that public works projects are. Opting into the Act for maintenance work would require following cost accounting procedures which are currently not required.

A. UPCCAA

UPCCAA is voluntary and it allows local agencies to perform public project work up to \$30,000 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. In

addition, the Act provides for the following alternative bidding procedures:

- Public projects of \$45,000 or less may be performed by negotiated contract or by purchase order (PCC22032(a)).
- Public projects of \$175,000 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, the Board may, by adoption of a resolution by a four-fifths vote, award the contract, at \$175,000 or less, to the lowest responsible bidder, if the Board determines the cost estimates was reasonable (PCC 22034(f)).
- Public projects of more than \$175,000 shall be let to contract by formal bidding procedures (PCC 22021(c)), except as otherwise provided in PCC22034(f).

The specific mention of bidding procedures emphasizes the omission of other statutory requirements (such as bond payments, prevailing wages, etc.) and implies that their applicability is found in specific statutory provisions rather than the UPCCAA. Therefore, UPCCAA does not supersede other contracting requirements for performance bonds, prevailing wages, and certificates of insurance, etc.

B. Opting into UPCCAA

In order to opt into UPCCAA, the Authority is required to take the following actions:

1. The Board must elect by resolution to become subject to the UPCCAA and file a copy of the resolution with the State Controller's Office (PCC22030): and
2. Per PCC 22034, by electing to become subject to the uniform construction accounting procedures set forth in Article 2 (commencing with PCC Section 22010), the District (Authority) must enact the subject informal bidding ordinance which is to govern the selection of contractors to perform public projects pursuant to subdivision (b) of PCC Section 22032.

Many jurisdictions have opted into UPCCAA since the allowed alternative bidding procedures save time and money on the delivery of smaller public construction projects, including the County of Napa on September 28, 2101. This is due to the fact that:

No informal or formal bidding is required for projects costing less than \$45,000

- Property management staff may perform through its own forces, purchase order, or negotiated contract more routine public works projects costing up to \$45,000
- Plans and specifications are not required for projects costing less than \$175,000
- No advertisement in newspapers is required for projects costing less than \$175,000
- Staff time preparing reports to the Board is not required since Board action is not required for projects costing less than \$175,000.

It is to be noted that the Board may discontinue the Authority's participation under the UPCCAA 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.

C. UPCCAA and Contractor Pre-qualification:

Pre-qualification of contractors is allowed for public agencies under PCC 20101. In accordance with PCC

20101, the State of California Department of Industrial Relations has developed the document entitled "Pre-qualification of Contractors Seeking to Bid on Public Projects: The 1999 State Legislation and the Model Forms Created by the Department of Industrial Relations". The Napa County Public Works Department currently develops pre-qualification requirements and packages for appropriate projects that is based on the Department of Industrial Relations pre-qualification packet as well as a shorter packet for smaller, less complex projects. The Public Works Department of the County also keeps active lists of contractors meeting pre-qualification requirements. To avoid duplication of effort, the Ordinance would allow the Authority to utilize the County's lists or develop its own lists if County lists are not available. |

D. UPCCA Implementation Timeline:

The following is the recommended UPCCAA implementation timeline:

- Adoption of the attached ordinance setting forth the requisite Information Bidding Procedures - April 4, 2013 (Introduction and first reading) and May 2, 2013 (second reading and adoption)
- UPCCAA implementation - June 3.

E. UPCCAA Information:

Additional information is available on the State Controller's Office website: www.sco.ca.gov

SUPPORTING DOCUMENTS

A . Ordinance 2013-04

Executive Director: Approve

Reviewed By: Martha Burdick