

STAFF REPORT
COUNCIL MEETING DATE:
October 10, 2011

ITEMS FOR COUNCIL CONSIDERATION:

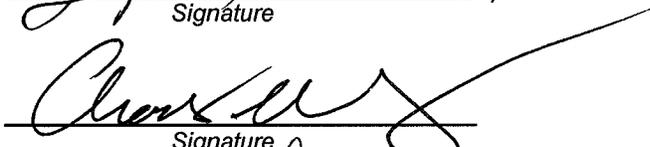
UPDATES TO THE CITY OF CARPINTERIA MUNICIPAL CODE RELATING TO THE CALIFORNIA UNIFORM CONSTRUCTION COST ACCOUNTING ACT

Report prepared by: Dylan Paul, Management Analyst
Department: Public Works



Signature

**Reviewed by
Public Works
Director:**



Signature

**Reviewed by
City Manager:**



Signature

ACTION NON-ACTION STAFF RECOMMENDATION:

Recommendation: Adopt Ordinance No. 653, thereby amending Section 2.08.150 (B) and Section 3.32.200 of Carpinteria Municipal Code (CMC), pertaining to the City Manager's purchasing authority and bidding procedure threshold dollar amounts.

Sample Motion: I move that the City Council adopt Ordinance No. 653 as read by title only, first reading, and to schedule the second reading for the October 24, 2011 City Council Meeting.

I. BACKGROUND:

The Uniform Public Construction Cost Accounting Act, enacted in 1983 under Public Contract Code Section 22000 et seq., allows local agencies to perform public project work at alternative

bid thresholds as set forth in the *Cost Accounting Policies and Procedures Manual* of the California Uniform Construction Cost Accounting Commission.

Every five years, the California Uniform Construction Cost Accounting Commission reviews the informal bid limits for inflation and other factors to determine whether adjustments should be made. If an adjustment is made, the State Controller notifies the affected public agencies. The adjustment may become effective before it appears as a formal change in the Public Contract Code. The most recent informal bid limits can be found at www.sco.ca.gov/ard/local/index.shtml. Any local agency can voluntarily elect to become a participating agency of the Act. Local agencies include cities, counties, redevelopment agencies, special districts, school districts, and community college districts. Participating agencies benefit from the raised force account limit and the informal bidding procedures. More projects are completed in a timely manner as a result of the streamlined contract award process and the reduction in paperwork related to advertising and report filing.

II. DISCUSSION:

The City of Carpinteria office staff and maintenance personnel perform a wide variety of tasks related to the maintenance and operations of the City's right-of-way, streets, buildings, and parks systems. In May of 2000, the City Passed Resolution No. 4603 and Ordinance No. 565, thereby electing to become subject the California Uniform Construction Cost Accounting procedures contained in Public Contract Code. The alternative contract purchasing procedures not only enables a streamlined cost saving system for procurement of construction services, but also enables projects to be completed by "force account" (with City employed forces) up to the "negotiated contract" limit. Since the adoption of the original ordinance, City staff has completed many projects at a substantial cost savings to the City budget.

Over the last eleven years the bid thresholds posted by the State Controller's Office have increased substantially. However, the limits set forth in the City's Municipal Code have remained the same. With the increased costs of goods and services and the City's growing maintenance needs, staff recommends adjusting the City's policies at this time. This requires an update to Municipal Code Section 3.32.200 (Informal Bidding Procedures). The attached Ordinance No. 653, has similar wording to the existing Municipal Code section, but follows the more current recommendations detailed in the California Uniform Construction Cost Accounting Commission's "Cost Accounting Policies and Procedures Manual". The effect of the proposed ordinance is mainly to remove specific dollar amount thresholds from the City's Municipal Code and allow for contract bid thresholds to be automatically adjusted by the State Controller's Office.

In addition, the attached Ordinance No. 653 would also amend City Municipal Code section 2.08.150 (B) to align the City Managers or his/her designee's ability to sign contracts with the provisions of the California Uniform Construction Cost Accounting Act Public Contract Code and CMC 3.32.200, as discussed above. Defining the City Manager's authority to sign contracts as being coexistent with the thresholds in Public Contract code provides staff with the flexibility to negotiate contracts within the specified range for "negotiated contracts." Updating the City Manager's authority also enables the execution of contracts for approximately the level of work that was originally contemplated when the City Manager's purchasing authority was established.

III. FINANCIAL CONSIDERATIONS:

Ordinance No. 653 will amend Carpinteria Municipal Code pertaining to the City Manager's purchasing authority and bidding threshold dollar amounts. However, projects will still need to be budgeted for as part of the City's Annual Work Plan process and the City Council would continue to review and authorize all contracts exceeding thirty thousand dollars prior to being executed by the City Manager or his/her designee.

The current bid thresholds listed within the California Uniform Construction Cost Accounting Act Procedures Manual (CUCCAA), Public Contract Code and the State Controller's Office are listed below in comparison to current Carpinteria Municipal Code (CMC) thresholds:

Bid Threshold Category	Current (CMC) Limit	Proposed (CUCCAA) Limit
Public projects of \$30,000 or less	CMC Limit \$20,000	\$30,000*
Public projects of \$125,000 or less	CMC Limit \$75,000	\$125,000
Public projects of \$175,000 or more	\$175,000	\$175,000

* Note that the (CUCCAA) limits are subject to adjustments set by the State Controller's Office, but the City Manager's purchasing authority will remain at \$30,000, as set by Carpinteria Municipal Code.

IV. ATTACHMENTS:

1. ORDINANCE NO. 653

ATTACHMENT 1

ORDINANCE NO. 653

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA, CALIFORNIA AMENDING SECTION 3.32.200 AND SECTION 2.08.150 (B) OF THE CARPINTERIA MUNICIPAL CODE TO PROVIDE UPDATED INFORMAL BIDDING PROCEDURES ON PUBLIC PROJECTS UNDER THE CALIFORNIA UNIFORM CONSTRUCTION COST ACCOUNTING ACT (SECTION 22000, ET SEQ. OF THE PUBLIC CONTRACT CODE)

WHEREAS, Public Contract Code Section 22000 et seq., the Uniform Construction Cost Accounting Act, enacted in 1983 establishes alternative accounting procedures; and

WHEREAS, In May of 2000, the City of Carpinteria elected to become subject to the Uniform Construction Cost Accounting Act through Ordinance No. 565 and Resolution No. 4603.

WHEREAS, California law has evolved over the last eleven years such that the language of Carpinteria Municipal Code Sections 3.32.200 and 2.08.150.B require updating to achieve consistency with the recommendations of the State Controller's Office;

NOW, THEREFORE, THE CITY COUNCIL DOES ORDAIN AS FOLLOWS:

SECTION 1. INCORPORATION OF RECITALS.

The above recitals are true and correct and are incorporated herein, and are each relied upon independently by the City Council for its adoption of this Ordinance.

SECTION 2. AMENDMENT OF CHAPTER 3.32.200 OF THE CARPINTERIA MUNICIPAL CODE (INFORMAL BIDDING PROCEDURES).

Section 3.32.200 of the Municipal Code of the City of Carpinteria is hereby amended in its entirety to read as follows:

A. Informal Bid Public projects, as defined by the California Uniform Construction Cost Accounting Act, and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

B. Contractors List. A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

C. Notice Inviting Informal Bids Where a public project is to be performed which is subject to the provisions of this section, a notice inviting informal bids shall be mailed to all contractors for the category of work to be bid, and to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the department/agency soliciting bids, provided however:

1. If there is no list of qualified contractors maintained by the City for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.
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.

D. Award of Contracts The City Manager or his/her designee is authorized to award informal contracts pursuant to this Section.

SECTION 3: AMENDMENT OF CHAPTER 2.08.150 (B) OF THE CARPINTERIA MUNICIPAL CODE (AUTHORITY TO SIGN WRITTEN CONTRACTS, DRAW WARRANTS ON THE CITY TREASURY, SIGN INSTRUMENTS REQUIRING CITY SEAL).

Section 2.08.150 (B) of the Municipal Code of the City of Carpinteria is hereby amended in its entirety to read as follows:

(B) The city manager or his/her designee shall be authorized to execute contracts of thirty thousand dollars or less without prior approval of the city council where the amount of such contract is within a budgeted appropriation. The city manager or his/her designee may bring such contract to the city council for approval. Contracts exceeding thirty thousand dollars shall be approved by the council prior to execution.

SECTION 4: EFFECTIVE DATE

This Ordinance shall be in full force and effect thirty (30) days following a second reading of the ordinance; and before the expiration of fifteen (15) days following passage, this Ordinance shall be published once with the names of the members of the City Council voting for and against the same in the Coastal View News, a newspaper of general circulation, published in the City of Carpinteria.

SECTION 5: SEVERABILITY

If any section, subsection, sentence, clause, phrase or word of this Ordinance is for any reason held to be invalid by a court of competent jurisdiction, such decisions shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed and adopted this Ordinance, and each and all provisions hereof, irrespective of the fact that one or more provisions may be declared invalid.

SECTION 6: CEQA EXEMPTION

The City Council finds that this Ordinance is not subject to the California Environmental Quality Act ("CEQA") pursuant to State CEQA Guidelines §15060(c)(3) (this activity is not a "project" as defined in §15378).

PASSED, APPROVED AND ADOPTED this 10th day of October 2011, by the following called vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBER(S):

ABSENT: COUNCILMEMBER(S):

Mayor of the City of Carpinteria

ATTEST:

City Clerk, City of Carpinteria

I hereby certify that the foregoing Ordinance was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of Carpinteria held the 10th day of October 2011.

City Clerk, City of Carpinteria

APPROVED AS TO FORM:

Peter N. Brown, City Attorney