



CITY OF WHEATLAND

CITY COUNCIL MEETING STAFF REPORT

April 9, 2019

SUBJECT: Construction Cost Accounting Program

PREPARED BY: Don Scott, Public Works Director
Susan Mahoney, Finance Director

Recommendation

Adopt Resolution 12-19 allowing the City to award public projects subject to the Uniform Public Construction Cost Accounting Act (the "Act").

Background

The City's current purchasing policy (*Wheatland Municipal Code Chapter 3.04 Purchasing System*) requires all public projects in excess of \$5,000 to be awarded through formal, noticed bidding per the State's Public Contract Code 20162. This process includes preparation of formal bid documents, noticing in the newspaper and trade journals, a 14-day minimum advertisement period, a specified time and date of receipt of sealed bids, and a specified time of bid opening. This rigorous process is appropriate for larger capital improvement projects however, it is very time consuming and resource intensive to implement for smaller projects.

Discussion

In order to provide an expedited delivery process for smaller capital and maintenance projects through an informal bidding process, staff is recommending that the City participate in the State of California's Uniform Public Construction Cost Accounting Act (Public Contract Code 2200 et seq.). The Act is a voluntary program that a governing body must elect by resolution to become subject to. If the City elects to be subject to the Act, it can use alternative bidding procedures for lower-cost public projects. Under the Act:

- Public projects of \$60,000 or less may be performed with the City's own work force, by negotiated contract, or by purchase order
- Public projects of \$200,000 or less may be awarded pursuant to the Act's informal bid procedures
- Public projects over \$200,000 would be awarded under formal noticed bidding procedures

Under the Act, the City would have two primary duties:

1. Maintain an informal bidders list

2. Use cost accounting procedures to record all direct and indirect labor, materials, and overhead costs associated with each project performed by City staff.

The Public Works department will create and maintain a qualified bidders list. The Finance Department's accounting procedures are already set up to record costs associated with individual projects.

Should the Council adopt Resolution 12-19, staff will return with the required updates to the City's ordinance and file a copy of the resolution with the State Controller's Office as required by the Act.

Alternatives

Not adopt Resolution 12-19.

Fiscal Impact

Adopting the Act will reduce staff time and streamline the process of awarding public works projects that are \$200,000 or less.

Attachments

1. Resolution 12-19

RESOLUTION NO. 12-19

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WHEATLAND
ELECTING TO BECOME SUBJECT TO THE STATE OF CALIFORNIA'S UNIFORM
PUBLIC CONSTRUCTION COST ACCOUNTING ACT PROCEDURES**

WHEREAS, local agencies must competitively bid all public projects (as defined by Section 20162 of the California Public Contract Code) in excess of \$5,000 in accordance with the requirement set forth in the Public Contract Code, commencing with Section 20160; and

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

WHEREAS, the California Uniform Construction Cost Accounting 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; and

WHEREAS, California Public Contract Code Section 22030 provides that any City that wishes to avail itself of the alternative procedures for bidding and contracting for public projects must elect, by resolution, to become subject to the uniform construction cost accounting procedures set forth in the Public Contract Code and must notify the State Controller of its election; and

WHEREAS, the City desires to become subject to the uniform construction cost accounting procedures set forth in the Public Contract Code, commencing with Section 22000.

NOW, THEREFORE BE IT RESOLVED BY THE COUNCIL OF THE CITY OF WHEATLAND THAT:

1. The City of Wheatland hereby elects under Public Contract Code Section 22030 to become subject to the uniform public construction cost accounting procedures set forth in the Act.
2. That the City of Wheatland elects to become subject to the California Uniform Construction Cost Accounting Commission's policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended.
3. That the City Clerk certify to the adoption of this resolution and notify the State Controller forthwith of this election.

ADOPTED as a Resolution of the City Council of the City of Wheatland at a meeting thereof held on the 9th day of April, 2019 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

BY: _____
Joseph Henderson, Mayor

ATTEST: _____
Lisa J. Thomason, City Clerk