



## AGENDA REPORT SUMMARY

**Meeting Date:** September 12, 2023

**Subject:** Introduce and waive further reading of an ordinance of bidding procedures under the California Uniform Public Construction Cost Accounting Act; find that the adoption of the ordinance is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061.

**Prepared by:** June Du, Finance Director

**Approved by:** Gabriel Engeland, City Manager

**Initiated by:**  
City Council.

### **Environmental Review:**

The ordinance is exempt from environmental review pursuant to CEQA Guidelines Section 15061(b)(3) in that the ordinance will merely affect administrative processes and will not have foreseeable environmental effects, and none of the circumstances in CEQA Guidelines Section 15300.2 applies.

### **Fiscal Impact:**

None.

### **Attachments:**

1. Draft Ordinance
2. Resolution

### **Summary:**

Adding a standalone chapter 3.16 to the Los Altos Municipal Code for bidding procedures under the Uniform Public Construction Cost Accounting Act. The proposed ordinance further defined the bidding procedures in the City’s purchasing policy and represents best practices for the construction bidding procedures.

### **Staff Recommendation:**

Introduce and waive further reading of an ordinance of the City Council of the City of Los Altos adding chapter 3.16 to the Los Altos municipal code to provide for bidding procedures under the Uniform Public Construction Cost Accounting Act.

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**Subject:** Ordinance of Bidding Procedures under the Uniform Public Construction Cost Accounting Act

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## **Background**

What is the Uniform Public Construction Cost Accounting Act (Act)?

The Act is legislation that was enacted in 1983 to help promote “uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state” (Section 22001). The Act is a voluntary program available to all public entities in the State, but it applies only to those public agencies that have “opted in” to the provisions set forth by the Act using the processes outlined in the Act. The entirety of the Act is found at Sections 22000-22045. In exchange for opting voluntarily to comply with cost accounting requirements that establish best practices for local agencies to follow, local agencies benefit from the option to use informal bidding procedures for small- to mid-sized public works projects.

The Act allows for public project work in the amount of \$60,000 or less to be performed by a public agency’s force account using the public agency’s own resources, or by negotiated contract, or by purchase order (Section 22032(a)). Public projects in the amount of \$200,000 or less may use the informal or formal bidding procedures set forth in Section 22032(b) or (c) of the Act. Public projects at a cost of more than \$200,000 must use formal bidding procedures to let the contract pursuant PCC Section 22032(c).

Process:

At least once per calendar year, each participating public agency that has elected to become subject to the Act and intends to use the notice provisions outlined in Section 22034(a) must establish a new list or update its existing list of qualified contractors by mailing, faxing, or emailing written notice to all construction trade journals designated for that Agency under Section 22036. *Qualified contractors* are contractors licensed by the State to perform the subject work. The notice must invite all licensed contractors to submit the name of their firms to the Agency for inclusion on the Agency’s list of qualified bidders for the following twelve (12) months. Effective January 1, 2016, a participating agency can choose a specific date of their choice in which to renew its list of qualified contractors.

## **Discussion**

Staff is recommending to “opt-in” to the Uniform Public Construction Cost Accounting Act. Many participating agencies appreciate the program because it has given them more leeway in the execution of public works projects under a certain dollar amount; speed up the award process; expedited project delivery; reduced the time, effort, and expense associated with bidding projects under \$200,000; and simplified administration for those projects. Moreover, adjustments, when



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required, have been relatively simple; most required procedures were already in place, so there were few, if any, major changes to existing operations.