

AN ORDINANCE OF THE TOWN OF SAN ANSELMO ADDING CHAPTER
10 OF TITLE 2 TO THE SAN ANSELMO TOWN CODE ESTABLISHING BIDDING PROCEDURES
UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

The Town Council of the Town of San Anselmo does ordain as follows:

Section 1. Chapter 10 of Title 2 is hereby added to the San Anselmo Town Code to read as follows:
"PUBLIC BIDDING"

Section 2-10.01 ADOPTION OF CALIFORNIA UNIFORM CONSTRUCTION ACCOUNTING PROCEDURES. The Town Council of the Town of San Anselmo does hereby elect to become subject to the uniform construction cost accounting procedures set forth in the Uniform Public Construction Cost Accounting Act (Public Contract Code Sections 22000 et seq.). The terms referred to herein shall have the meanings ascribed to them in the Uniform Public Construction Cost Accounting Act.

Section 2-10.02 AWARD OF CONTRACT.

- A. Public projects of \$25,000.00 or less may be performed by the employees of the Town of San Anselmo by force account, by negotiated contract or by purchase order.
- B. Public projects of \$75,000.00 or less may be let to contract by informal procedures as set forth in this Chapter.
- C. Public projects of more than \$75,000.00 shall, except as otherwise provided in the Uniform Public construction Cost Accounting act, be let to contract by formal bidding procedures.

Section 2-10.03 AUTHORITY TO AWARD INFORMAL CONTRACTS. The Town Council of the Town of San Anselmo shall have the authority to award informal contracts in accordance with this Chapter and the Uniform Public Construction Cost Accounting Act.

Section 2-10.04 MAINTENANCE AND USE OF LIST OF QUALIFIED CONTRACTORS. The Town Administrator shall maintain a list of qualified contractors identified according to categories of work. Such list shall be developed and maintained in accordance with the criteria determined by the California Uniform Construction Cost Accounting Commission.

Section 2-10.05 INFORMAL BIDDING PROCEDURE.

- A. All contractors on the list for the category of work being bid, or all construction trade journals specified for the County of Marin by the California Uniform Construction Cost Accounting Commission, or all such contractors and all such construction trade journals, shall be mailed a notice inviting informal bids unless the product or service is proprietary.

TOWN OF SAN ANSELMO
TOWN COUNCIL STAFF REPORT
For the Meeting of July 25, 1995

DATE: July 18, 1995

TO: Mayor and Members of the Town Council

FROM: Wayne T Bush, P.E., Director of Public Works

SUBJECT: Adoption of Uniform Public Construction Cost Accounting Procedures

RECOMMENDATION

That the Town Council introduce an Ordinance establishing bidding procedures under the Uniform Public Construction Cost Accounting Procedures.

BACKGROUND

In 1983 the California State Legislature adopted the Uniform Public Construction Cost Accounting Act in an attempt to promote uniformity of the cost accounting standards and bidding procedures for public construction projects. Those public agencies which become subject to this Act are required to adopt a local ordinance of the kind attached.

Pursuant to State law, the Ordinance provides that construction contracts involving an expenditure of \$25,000.00 or less may be done by force account, by negotiated contract or by purchase order. Public projects costing between \$25,000.00 and \$75,000.00 may be awarded through an informal bidding process which involves solicitation of bids by mail. Projects costing in excess of \$75,000.00 are awarded by a formal bidding procedure which involves publication of a notice inviting formal bids.

The ordinance requires that, for the purpose of informal bidding, the Town must maintain a list of qualified contractors identified according to categories of work. Mailed notices inviting bids are sent to these contractors and/or to construction trade journals designated by the State for the County of Marin. Upon passage, staff will contact other municipalities who have adopted the procedures for the purpose of developing a list of contractors and identifying the trade journals to whom notices must be sent.

The Marin cities that have adopted Uniform Cost Accounting Procedures are Larkspur, Belvedere, Tiburon and Sausalito, However, Belvedere has adopted an earlier version with a \$50,000 limit for formal beds which they plan to update soon. Fairfax has adopted the procedure with the Town Council having the authority for informal awards.

Novato currently requires formal bids for anything more than \$5,000 but plans to adopt State procedures soon.

Corte Madera requires formal bids for \$25,000 or more.

San Rafael requires formal bids for \$44,000 or more.

Mill Valley has limits as follows:

- Up to \$15,000 - Negotiation Okay
- \$15,000 to \$50,000 - Informal Bids Okay
- \$50,000 and over - Formal Bids Required

San Anselmo presently uses the equipment purchase ordinance obligations which requires formal bids for \$9,210 or more. This amount is based on a \$5,000 limit adopted in 1979 and inflated for the CPI every year since.

The advantages to adopting the proposed Ordinance are a savings of both time and money. As far as time savings, presently, projects over \$9210 require preparation of plans and specifications, usually involving consultants. Typical steps and times are as follows:

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| Select consultant- | Minimum 1 week, depending on scope (RFP)- possible 2 months or more |
| Complete PS&E- | 2 weeks or more, depending on scope- larger projects 2 months or more |
| Permission to Advertise- | Agendize concurrent with PS&E prep. or up to 2 weeks |
| Advertise- | At least two weeks plus coordinating publishing deadlines |
| Review bids- | 2-5 days |
| Award- | Agendize- up to 2 weeks |
| Execute Contract- | Two weeks for contractor to execute and furnish bonds, insurance, etc. |

The smaller projects run the minimum time of about 8 weeks, while the projects closer to \$75,000 can easily take 6 months. With the informal process being adopted, PS&E will only be prepared if needed, and the above timeframes are eliminated except for project descriptions and noticing of contractors from the list. Not included in the above is a significant amount of staff time.

Costs savings are realized as well as time savings. The design and preparation of plans and specifications are estimated to increase a project by 10-15%. Additionally there are advertising costs, document reproduction costs and costs for attorney review of the Agreement. Contractors prices increase commensurably due to the legal obligations in formal documents, and the need for bidders bonds, performance and labor bonds.

Staff has researched the requirement to maintain a list of contractors by contacting the Office of the State Controller. Each year, the Town is to advertise in three construction trade journals inviting contractors to place their company on lists separated by category of work. All interested contractors will be kept on the list for a one year period. All contractors on the list must either be directly contacted for all informal projects, or the project must be published in the three trade journals. Contractors will not be excluded from the list.

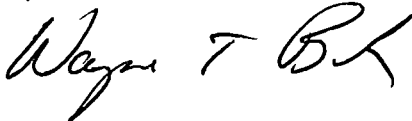
With regard to procedures for contracts less than \$25,000, staff will continue its historic practice as has been done with contracts less than \$9210. That practice is as follows:

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|-----------------------------|----------------------|
| Up to \$1000- | Informal quotes |
| Between \$1000 and \$25000- | Three written quotes |

Based on discussion at the last Council meeting, staff has revised the proposed Ordinance to give the Council informal award authority instead of the Town Administrator. The advantage of this to the Council is to continue their involvement in approving contracts between \$25,000 and \$75,000. The only disadvantage is the timing of project construction being dependent on scheduling the meeting for award, usually no more than two weeks.

Upon adoption of the enclosed ordinance a copy should be sent to the California State Controller's Office with notice of the fact that the Town has become subject to the Uniform Construction Cost Accounting Procedures.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Wayne T. Bush".

Wayne T Bush, P.E.
Director of Public Works/Town Engineer

- B. All mailing of notices to contractors and construction trade journals pursuant to Subsection A of this Section shall be completed not less than 10 calendar days before bids are due.
- C. The notice inviting informal bids shall describe the project in general terms, how to obtain more detailed information about the project, and state the time and place for the submission of bids.

Section 2-10.06 FORMAL BIDDING PROCEDURE. Notice inviting formal bids shall state the time and place for receiving and opening of sealed bids and distinctly describe the project. The notice shall be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation circulated within the Town of San Anselmo. The notice inviting formal bids shall also be mailed to all construction trade journals designated for the County of Marin by the California Uniform Construction Cost Accounting Commission. The notice shall be mailed at least 30 calendar days before the date of opening the bids."

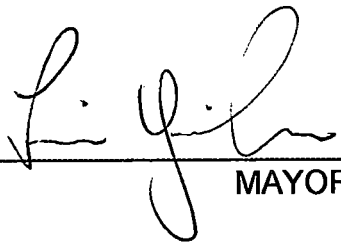
The foregoing ordinance was duly and regularly introduced at a regular meeting of the San Anselmo Town Council, held in said Town on the July 25 1995, and thereafter adopted at a meeting of the Town Council, held in said Town on the Aug. 8, 1995, by the following vote, to wit:

AYES: Breen, Chignell, Kroot, Hodgens, Yarish

NOES: (None)

Attest:

Caroline Foster
Town Clerk


MAYOR