



CONTRA
COSTA
COUNTY

C-28

TO: BOARD OF SUPERVISORS
FROM: BARTON J. GILBERT, DIRECTOR OF GENERAL SERVICES
DATE:
SUBJECT: APPROVE AMENDMENTS TO COUNTY ORDINANCE CODES
TO RAISE THE INFORMAL BIDDING LIMIT FOR PUBLIC
PROJECTS FROM \$50,000 TO \$100,000 CONSISTENT WITH
THE STATE PUBLIC CONTRACT CODE

SPECIFIC REQUEST(S) OR RECOMMENDATION(S) & BACKGROUND AND JUSTIFICATION

RECOMMENDATION

1. **INTRODUCE** the following ordinances to raise from \$50,000 to \$100,000 the informal bidding limit for public construction projects; **WAIVE** reading and **FIX** May 11, 2004 for adoption:

Ordinance amending Sections 1108-3.204(a) and 1108-3.208 of County Ordinance Code (County)

Ordinance amending Ordinance No. 93-59 (Flood Control District)

Ordinances amending Ordinances Nos. 93-61 (County Sanitation District No. 5) and 93-62 (County Sanitation District No. 6)

Ordinances amending Ordinances Nos. 93-65 (Crockett-Carquinez Fire Protection District); 93-66 (Contra Costa County Fire Protection District); and 93-64, 93-67, and 93-69 (East Contra Costa Fire Protection District)

2. **APPROVE** increasing the Outreach Program threshold for construction projects from \$50,000 to \$100,000.

FINANCIAL IMPACT

Raising the informal bidding limit will result in improved efficiencies and cost reductions in the administration and procurement of public construction projects that are \$100,000 or less.

CONTINUED ON ATTACHMENT: YES SIGNATURE: *Barton Gilbert*
____ RECOMMENDATION OF COUNTY ADMINISTRATOR ____ RECOMMENDATION OF BOARD COMMITTEE
____ APPROVE ____ OTHER
SIGNATURE(S): _____
ACTION OF BOARD ON MAY 11, 2004 APPROVED AS RECOMMENDED OTHER _____

VOTE OF SUPERVISORS

UNANIMOUS (ABSENT NONE)
AYES: _____ NOES: _____
ABSENTS: _____ ABSTAIN: _____

MEDIA CONTACT: BARTON J. GILBERT (313-7100)
Originating Dept.: General Services Department
cc: General Services Department
Administration
Accounting
County Administrator's Office
County Counsel
Auditor-Controller (via GSD)

I HEREBY CERTIFY THAT THIS IS A TRUE
AND CORRECT COPY OF AN ACTION TAKEN
AND ENTERED ON THE MINUTES OF THE BOARD
OF SUPERVISORS ON THE DATE SHOWN.

ATTESTED MAY 11, 2004
JOHN SWEETEN, CLERK OF THE BOARD OF SUPERVISORS
AND COUNTY ADMINISTRATOR
BY *John Sweeten*, DEPUTY

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 CODE**

April 27

BACKGROUND

In 1993, the Board of Supervisors elected to use the Uniform Public Construction Cost Accounting Act (Public Contract Code Section 22000-22045) for construction contracts let by the County, Flood Control District, County Sanitation Districts Nos. 5 (Port Costa) and 6 (Alhambra Valley), the Contra Costa Fire Protection District, the Crockett-Carquinez Fire Protection District, and the East County Fire Protection District. As required by the Act, the Board adopted ordinances implementing the informal bidding procedures authorized by the Act. At the time the ordinances were adopted, the limit in the Act for informal bidding was \$50,000 (Public Contract Code Section 22032(b)).

On June 27, 2000, the Finance Committee presented a report to the Board of Supervisors regarding the County's purchasing policies and practices. The report included a recommendation to raise the informal bidding limit for construction projects from \$50,000 to \$75,000, which the Board unanimously approved. At the time of the Board's approval, the statutory limit for informal bidding had been increased to \$75,000 (per Public Contract Code Section 22032(b)).

Since that time, state law was amended further to increase the limit for informal bidding from \$75,000 to \$100,000. Since January 2002, Public Contract Code Section 22032 has allowed construction contracts of \$100,000 or less to be let by informal bidding procedures. The attached ordinances, which would amend the ordinances originally adopted in 1993, would increase the informal bidding limit up to the current statutory limit--\$100,000. To obtain the benefits of the new statutory limit for informal bidding, staff recommends that the Board introduce the attached ordinances, waive reading, and fix May 11, 2004 as the date for adoption of the ordinances. In addition, to coordinate the new informal bidding limit with the County's Outreach Program, it is recommended that the Outreach Program threshold also be increased from \$50,000 (present level) to \$100,000.

The following table provides a comparison of the informal and formal bidding procedures.

REQUIREMENT	INFORMAL BIDDING	FORMAL BIDDING
Current bidding limit	\$25,001 to \$50,000	\$50,001 and above
Proposed bidding limit	\$25,001 to \$100,000	\$100,001 and above
County Outreach Program	Not applicable	Good faith effort by the bidder is required including mandatory subcontracting minimum (MSM)
Approval of plans and specs	Department (General Services, Public Works, or County Administrator)	Board of Supervisors
Notice to bidders (advertisement)	Mailed notice at least 10 days before bid opening to: a) Contractors on list; or b) Trade journals; or c) Both (a) and (b)	Mailed notice at least 30 days before bid opening to trade journals Published notice in newspaper of general circulation at least 14 days before bid opening
Contract award	Department (General Services, Public Works, or County Administrator)	Board of Supervisors
Prevailing wages, bonding & insurance	Required	Required

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Operational Efficiencies

Increasing the informal bid limit would provide greater flexibility and efficiency in managing smaller projects. Project delivery time can be reduced by three months or more with an informal bidding process versus a formal bidding process. In addition, the informal bidding process can save between \$5,000 and \$8,000 in administrative costs on a per project basis depending upon the complexity of the project.

Although informally bid projects are not subject to the Outreach Program, the General Services and Public Works Departments conduct outreach efforts for informally bid projects by advertising in construction trade journals and sending notices to contractors and subcontractors, including SBEs, LBEs, MBEs, WBEs, and DVBs.

The County, the Flood Control District, the Sanitation Districts, and Fire Districts will benefit from the time and cost savings of increasing the informal bidding limit to the \$100,000 statutory limit.