



Contra
Costa
County

To: Board of Supervisors
From: INTERNAL OPERATIONS COMMITTEE
Date: October 15, 2013

Subject: ADOPT Amendments to County Ordinance Code to Raise the Informal Bidding Limit on Construction Projects

RECOMMENDATION(S):

1. ADOPT Ordinance No. 2013-20, which increases the monetary limit for informal bidding on construction contracts from \$100,000 to the current State limit of \$175,000, ties the County's limit to the State Public Contract Code limit henceforth, and clarifies the purchasing agent's authority to award construction contracts.
2. DIRECT the County Administrator to update the County's Outreach Program policies and procedures to reflect the change in the monetary limit for informal bidding on construction contracts.

FISCAL IMPACT:

Raising the informal bidding limit will result in improved efficiencies and cost reductions in the administration and delivery of public construction projects that are \$175,000 or less.

BACKGROUND:

On August 6, 2013, at the recommendation of the Public Works Director, the Board of Supervisors referred to the Internal Operations Committee (IOC) a proposal to increase the monetary limit for informal bidding and informal contracts, and to clarify the purchasing agent's authority to award construction contracts. The proposal would affect the current monetary thresholds in the County's Outreach Program, which is overseen by the IOC.

At its regular meeting on September 9, the IOC discussed this proposal with staff. In 2004, the County's informal

APPROVE
 OTHER
 RECOMMENDATION OF CNTY ADMINISTRATOR
 RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **10/15/2013** APPROVED AS RECOMMENDED OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYES 5 NOES _____
 ABSENT _____ ABSTAIN _____
 RECUSE _____

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: October 15, 2013
David J. Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Rob Lim, (925) 313-2000 By: June McHuen, Deputy

BACKGROUND: (CONT'D)

bidding limit for construction projects was raised from \$50,000 to \$100,000 to be consistent with the State limit pursuant to Public Contract Code Section 22032(b). Since that time, state law was amended twice, increasing the limit for informal bidding to \$175,000. The attached ordinance will increase the informal bidding limit to the current statutory limit of \$175,000. Additionally, the ordinance will allow the County's informal bid limit to automatically adjust to be consistent with future adjustments of the State limit. The ordinance also clarifies the purchasing agent's authority to award construction contracts pursuant to Public Contract Code Section 22032(a) and delegates authority to award contracts for public projects with an estimated cost of \$175,000 or less to the Public Works Director or County Administrator.

The IOC concurs that Increasing the informal bid limit will provide greater flexibility and efficiency in managing smaller projects. Public Works estimates that project delivery time can be reduced by three months with an informal bidding process versus a formal bidding process. In addition, the informal bidding process can save between \$5,000 to \$8,000 in administrative costs per project depending upon the complexity of the project. The County will benefit from the time and cost savings of increasing the informal bidding limit to the current \$175,000 statutory limit. Consequently, the IOC recommends adoption of the proposed ordinance. The proposed ordinance was introduced into the Board's record on September 17, 2013.

The changes proposed today will require modification to the County's Outreach Program criteria. Although informally bid projects are not subject to the Outreach Program, the Public Works Department conducts 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 DVBEs.

CONSEQUENCE OF NEGATIVE ACTION:

If the County Ordinance Code is not amended, the County's informal bidding limit will not be consistent with the State Public Contract Code and the County will not be able to benefit from the cost and time savings associated with a higher informal bidding limit.

CHILDREN'S IMPACT STATEMENT:

Not applicable