



**CITY of CALABASAS**  
**CITY COUNCIL AGENDA REPORT**

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**DATE: DECEMBER 6, 2011**

**TO: HONORABLE MAYOR AND COUNCILMEMBERS**

**FROM: MICHAEL G. COLANTUONO, CITY ATTORNEY  
MICHAEL R. COBDEN, ASSISTANT CITY ATTORNEY**

**SUBJECT: ADOPTION OF UNIFORM PUBLIC CONSTRUCTION COST  
ACCOUNTING PROCEDURES BY ORDINANCE AND RESOLUTION**

**MEETING  
DATE: FEBRUARY 8, 2012**

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**SUMMARY RECOMMENDATION:**

That the Council introduce Ordinance No. 2012-293 and adopt Resolution No. 2012-1317, which will allow the City to utilize alternative bidding procedures in the Uniform Public Construction Cost Accounting Act (UPCCAA).

**BACKGROUND:**

Under the Public Contracting Code, all public works projects valued over \$5,000 must be competitively bid, and the contract must be awarded to the lowest responsible bidder. UPCCAA is a series of sections within the Public Contracting Code that allow a participating local agency to avoid competitive bidding for projects valued up to \$175,000 if the agency adopts certain accounting procedures. The City is not currently participating in the UPCCAA program.

**DISCUSSION:**

Should the City opt to become subject to the UPCCAA, there would be four main effects:

First, the City could increase the threshold for competitive bidding up to \$175,000.<sup>1</sup> The City does not need to set the threshold as high as the maximum allowed, and can change the threshold in the future by amending the present proposed ordinance. Second, for projects under \$45,000, the City can opt to complete the project using City employees by force account, by negotiated contract, or by purchase order. Third, the UPCCAA allows the City to increase staff's authority to award projects without the consent of the City Council to up to \$175,000. Last, the City would be required to comply with the accounting procedures listed in the Cost Accounting and Procedure Manual issued by the California Uniform Construction Cost Accounting Commission ("Commission"). A copy of the manual is attached to this report.

In order to implement the alternative bidding procedures contained within UPCCAA, the City must adopt (1) a resolution declaring that the City chooses to become subject to the UPCCAA procedures and informing the state Controller of that decision, and (2) an ordinance establishing an informal bidding procedure. A draft copy of the required resolution and ordinance are attached to this report.

All dollar amounts listed in this report are the statutory maximums, and the City may choose to set lower threshold amounts. Setting exact amounts is a policy question for the Council, as is the decision to participate in the UPCCAA program in the first place.

#### **FISCAL IMPACT/SOURCE OF FUNDING:**

The staff work necessary to prepare this ordinance and staff report required only budgeted resources. Implementation of the new procedures will also involve budgeted resources. Avoiding competitive bidding may result in savings on staff time and resources devoted to the bidding process, and will allow for flexibility in awarding certain types of public works contracts. However, adoption and implementation of new accounting procedures may require an initial investment of staff time and resources until the procedures become more familiar.

#### **REQUESTED ACTION:**

That the Council introduce Ordinance No. 2012-293, creating Chapter 3.42 of the Calabasas Municipal Code to comply with the Uniform Public Construction Cost Accounting Act and adopt Resolution No. 2012-1317, electing to become subject to the Uniform Public Construction Cost Accounting Act.

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<sup>1</sup> All dollar amounts were adjusted upwards by AB 720 in October 2011. The amounts listed in this report and the accompanying draft ordinance reflect the new amounts.

- ATTACHMENTS:**
- A. Ordinance No. 2012-293;
  - B. Resolution No. 2012-1317;
  - C. California Uniform Construction Cost Accounting Commission Cost Accounting and Procedure Manual.