

Hornbrook Community Services District

Special Meeting of January 24th, 2017

AGENDA SUPPORTING DATA

6. DISCUSSION AND ACTION ITEMS

- i. Discussion regarding the benefits of election to become subject to the uniform construction cost accounting act under the California Public Contract Code.

Recommended Motion

Staff recommends the following motion:

This item is for Discussion only, therefor no motion is necessary.

Background

Community Services District law limits the amount of work we can perform by force account (internal labor) and by contract, without seeking competitive bids. Competitive bidding requirements can add 15% to 20% to a project cost, do not always guarantee that you get the project or bids you want, and can overwhelm a small district with no administrative staff. Noncompliance with competitive bidding laws can result in serious fines, lawsuits and scrutiny.

Many of our infrastructure projects cost enough to require competitive bidding. The California Public Contract Code 22000 allows for the District to elect to become subject to the Uniform Construction Cost Accounting Act and use informal bidding procedures for projects costing up to \$175,000 and even less formal bidding procedures for projects costing less than \$45,000, including direct negotiation with contractors. Adopting these procedures will save the District many thousands of dollars in project and administrative costs.

Attached is a copy of the Procedures as adopted by a client District in Tuolumne County. This District has successfully used these procedures for a decade on a variety of public works projects.