

AMENDED IN SENATE JULY 12, 2011

AMENDED IN SENATE JUNE 27, 2011

AMENDED IN ASSEMBLY MAY 23, 2011

AMENDED IN ASSEMBLY MAY 9, 2011

AMENDED IN ASSEMBLY APRIL 25, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 720**

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**Introduced by Assembly Member Hall**

February 17, 2011

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An act to amend Sections ~~22031 and 22032~~ 22031, 22032, and 22034 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 720, as amended, Hall. Public contracts: uniform construction cost accounting provisions: alternative procedures.

Existing law establishes procedures for local public agencies to follow when engaged in public works projects, and authorizes agencies to elect to become subject to uniform construction cost accounting provisions. Existing law specifies that a board of supervisors or a county road commissioner is not prohibited by those provisions from utilizing, as an alternative, other procedures governing county highway contracts.

This bill would revise the above provision that specifies that a board of supervisors or a county road commissioner is not prohibited from using alternative procedures governing county highway contracts to limit the use of those alternative procedures on or after January 1, 2013, to maintenance and emergency work and new road construction and

road reconstruction, as provided. The bill would permit counties with a population of less than 50,000, on or after January 1, 2013, to continue to utilize alternative procedures for county highway contracts.

Existing law authorizes public projects of \$30,000 or less to be performed by the employees of the public agency by force account, negotiated contract, or purchase order.

This bill would increase the amount for which public projects are authorized to be performed by the employees of the public agency, as specified above, to \$45,000.

Existing law also authorizes public projects of \$125,000 or less to be let to contract by informal procedures, as specified, and requires public projects of more than \$125,000 to be let to contract by formal bidding procedure, except as provided.

~~This bill would increase the amount for which public projects are authorized to be let to contract by informal procedures to \$175,000, and would increase the amount for which public projects are required to be let by formal bidding procedure to projects of more than~~ *above limits from \$125,000 to \$175,000.*

*Existing law governing public contracts establishes procedures that public agencies, as defined, are required to follow when performing public works projects, and authorizes the governing board of the public agency to adopt a resolution, by a 4/5 vote, to award the contract at \$137,500 or less to the lowest responsible bidder when all informal bids on the public works project are in excess of \$125,000.*

*This bill would increase the above limits from \$125,000 to \$175,000, and from \$137,500 to \$187,500, respectively.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 22031 of the Public Contract Code is
- 2 amended to read:
- 3 22031. (a) Prior to January 1, 2013, this article shall not
- 4 prohibit a board of supervisors or a county road commissioner
- 5 from utilizing, as an alternative to the procedures set forth in this
- 6 article, the procedures set forth in Article 25 (commencing with
- 7 Section 20390) of Chapter 1.
- 8 (b) On or after January 1, 2013, this article shall not prohibit a
- 9 board of supervisors or a county road commissioner from utilizing,

1 as an alternative to the procedures set forth in this article, the  
2 procedures set forth in Article 25 (commencing with Section  
3 20390) of Chapter 1 for both of the following:

4 (1) Maintenance and emergency work.

5 (2) New road construction and road reconstruction as long as  
6 the total annual value of the new road construction and the road  
7 reconstruction performed under the procedures set forth in  
8 subdivision (c) of Section 20395 does not exceed 30 percent of  
9 the total value of all work performed by force account other than  
10 maintenance as reported in the Controller's Streets and Roads  
11 Annual Report as of January 1 of each year.

12 (c) On or after January 1, 2013, for a county with a population  
13 of less than 50,000, this article shall not prohibit a board of  
14 supervisors or a county road commissioner from utilizing, as an  
15 alternative to the procedures set forth in this article, the procedures  
16 set forth in Article 25 (commencing with Section 20390) of Chapter  
17 1.

18 (d) The requirements set forth in Section 22038 shall apply to  
19 any county subject to this section.

20 (e) Any county board of supervisors or county road  
21 commissioner acting pursuant to the authority granted in paragraph  
22 (2) of subdivision (b) shall declare its intention to use this authority  
23 prior to commencing work.

24 SEC. 2. Section 22032 of the Public Contract Code is amended  
25 to read:

26 22032. (a) Public projects of forty-five thousand dollars  
27 (\$45,000) or less may be performed by the employees of a public  
28 agency by force account, by negotiated contract, or by purchase  
29 order.

30 (b) Public projects of one hundred seventy-five thousand dollars  
31 (\$175,000) or less may be let to contract by informal procedures  
32 as set forth in this article.

33 (c) Public projects of more than one hundred seventy-five  
34 thousand dollars (\$175,000) shall, except as otherwise provided  
35 in this article, be let to contract by formal bidding procedure.

36 SEC. 3. Section 22034 of the Public Contract Code is amended  
37 to read:

38 22034. Each public agency that elects to become subject to the  
39 uniform construction accounting procedures set forth in Article 2  
40 (commencing with Section 22010) shall enact an informal bidding

1 ordinance to govern the selection of contractors to perform public  
2 projects pursuant to subdivision (b) of Section 22032. The  
3 ordinance shall include all of the following:

4 (a) The public agency shall maintain a list of qualified  
5 contractors, identified according to categories of work. Minimum  
6 criteria for development and maintenance of the contractors list  
7 shall be determined by the commission.

8 (b) All contractors on the list for the category of work being bid  
9 or all construction trade journals specified in Section 22036, or  
10 both all contractors on the list for the category of work being bid  
11 and all construction trade journals specified in Section 22036, shall  
12 be mailed a notice inviting informal bids unless the product or  
13 service is proprietary.

14 (c) All mailing of notices to contractors and construction trade  
15 journals pursuant to subdivision (b) shall be completed not less  
16 than 10 calendar days before bids are due.

17 (d) The notice inviting informal bids shall describe the project  
18 in general terms and how to obtain more detailed information about  
19 the project, and state the time and place for the submission of bids.

20 (e) The governing body of the public agency may delegate the  
21 authority to award informal contracts to the public works director,  
22 general manager, purchasing agent, or other appropriate person.

23 (f) If all bids received are in excess of one hundred ~~twenty-five~~  
24 ~~seventy-five~~ thousand dollars (~~\$125,000~~) (*\$175,000*), the governing  
25 body of the public agency may, by adoption of a resolution by a  
26 four-fifths vote, award the contract, at one hundred ~~thirty-seven~~  
27 ~~eighty-seven~~ thousand five hundred dollars (~~\$137,500~~) (*\$187,500*)  
28 or less, to the lowest responsible bidder, if it determines the cost  
29 estimate of the public agency was reasonable.

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