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## **AB 720- Public Contracts: Uniform Construction Cost Accounting Act**

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### **SUMMARY OF THE BILL**

Amends Public Contract Code (PCC), Section 22031 to prohibit a county under the Uniform Construction Cost Account Act (Act) from being able to use Road Commissioner authority granted under Public Contract Code, Section 20395. It would also increase from \$30,000 to \$45,000 the total cost of a project that is allowed to be performed by public agency employees.

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 repeal 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.

### **RECOMMENDED ACTION: Oppose Oppose**

### **REASON FOR RECOMMENDATION/IMPACT TO COUNTY**

The Act, created in 1983, allows local agencies to perform public project work up to \$30,000 with its own work force if the agency elects to follow specific cost accounting procedures. This allows additional contracting flexibility, higher thresholds, and provides an alternative bidding procedure when an agency performs public project work by contract.

County Road Commissioner authority (since 1935) provides county transportation departments the necessary flexibility to address local issues such as natural disasters or emergencies as well as routine maintenance, the Act allows counties to retain critical flexibility and authority as granted under Public Contract Code, Section 20395 (c) while a part of the Act.

The Act provides many benefits to counties, mainly the informal bid process, which is used by various departments in addition to county public works departments to keep projects costs to a minimum and allows work on county highways to be performed in a timely, efficient, and cost-effective manner.

### **POSSIBLE SUPPORTERS**

### **POSSIBLE OPPOSITION**

This request came from CSAC. The California State Association of Counties (CSAC), the Regional Council of Rural Counties (RCRC), and the Urban Counties Caucus (UCC) oppose.

### **COUNTY CONTACT**

Scott McGolpin, Public Works Director, 568.3008

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#### **COUNTY EXECUTIVE OFFICE**

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Kimbra McCarthy, Fiscal and Policy Analyst*

**ASSEMBLY BILL**

**No. 720**

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**Introduced by Assembly Member Hall**

February 17, 2011

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An act to amend Section 22032 of, and to repeal Section 22031 of, the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

AB 720, as introduced, 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 repeal 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.

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 that authorization to \$45,000.

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 repealed.

3 ~~22031. Nothing in this article shall prohibit a board of~~  
4 ~~supervisors or a county road commissioner from utilizing, as an~~  
5 ~~alternative to the procedures set forth in this article, the procedures~~  
6 ~~set forth in Article 25 (commencing with Section 20390) of Chapter~~  
7 ~~4.~~

8 SEC. 2. Section 22032 of the Public Contract Code is amended  
9 to read:

10 22032. (a) Public projects of ~~thirty forty-five~~ thousand dollars  
11 ~~(\$30,000) (\$45,000)~~ or less may be performed by the employees  
12 of a public agency by force account, by negotiated contract, or by  
13 purchase order.

14 (b) Public projects of one hundred twenty-five thousand dollars  
15 (\$125,000) or less may be let to contract by informal procedures  
16 as set forth in this article.

17 (c) Public projects of more than one hundred twenty-five  
18 thousand dollars (\$125,000) shall, except as otherwise provided  
19 in this article, be let to contract by formal bidding procedure.