



October 6, 2022

TO: LOCSD Board of Directors

FROM: Ron Munds, General Manager

SUBJECT: Agenda Item 7E – 10/06/2022 Board Meeting
Adopt a Resolution Electing to be Subject to the Uniform Public Construction Cost Accounting Act.

DESCRIPTION

At the September 1, 2022 Board meeting, staff presented an update Procurement Policy which incorporated provisions in the California Uniform Public Construction Cost Accounting Act (Act). To implement the Act, the District needs to adopt a resolution stating the District's intent to become subject to the Act. A copy of the resolution must be filed with the State Controller's Office (Government Code Section 22030).

STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion:

I move that the Board adopt Resolution No. 2022-28 which states the District intent to become subject to California Uniform Public Construction Cost Accounting Act.

DISCUSSION

Background

The passage of Assembly Bill No. 1666 Chapter 1054, Statutes of 1983, added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, which codified the provisions of the Act, provides jurisdictions with a uniform cost accounting standard for construction work performed or contracted by local public agencies.

The Act applies to any public agency whose governing board has, by resolution, elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010) and which has notified the Controller of that election, as set forth in Public Contract Code section 22030. The District is a California special district formed under the Community Services District Law (Govt. Code §61100 et seq.) and qualifies as a "public agency" under the Act. Today, there are over 300 special districts alone, not counting other public agencies, who are participating member agencies.

As a participating agency, the District benefits by raising the threshold for its informal and formal bidding processes. Small projects and projects completed by District employees benefit by reducing the cost incurred for developing and managing a formal bidding process while streamlining the process to complete larger projects. Opting to operate under the Act allows the District to negotiate contracts for construction work under \$60,000, procuring a contractor using a purchase

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order, or undertake the work by the District's work force account. The informal bid process for projects with a value between \$60,000 and \$200,000 can be awarded at staff level when the required District developed bidder's list along with trade journals and exchanges are included in soliciting bids, and thereby meet the competitive bidding process without further solicitation.

The overall benefits to participating agencies who choose to implement the Act can be measured in time and cost savings to the District. The Act provides more leeway in execution of public works projects, speeds up the awards process, and improves timeliness of project completion. Additionally, the Act reduces red tape and paperwork relative to advertising and filing of reports, thereby simplifying general administration.

FINANCIAL IMPACT

There is no direct financial impact associated with the recommended action. As noted in this report, there will be financial saving associated with project/professional services bidding, procurement and project/services management.

Attachments

Resolution No. 2022-28 & Exhibit A

RESOLUTION 2022-28

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT
ELECTING TO BECOME SUBJECT TO THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST
ACCOUNTING PROCEDURES**

WHEREAS, prior to the passage of Assembly Bill No. 1666, Chapter 1054, Statutes of 1983, which added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

WHEREAS, Public Contract Code Section 22000 et seq., the Uniform Public Construction Cost Accounting Act (Act), establishes such a uniform cost accounting standard; and

WHEREAS, the Commission established under the Act has developed uniform public construction cost accounting procedures for implementation by local public agencies in the performance of or in the contracting for construction of public projects; and

WHEREAS, it is in the public interest for the District to adopt the Act.

NOW, THEREFORE, BE IT RESOLVED, that the Los Osos Community Services District Board of Directors resolve as follows:

- 1) The Board of Directors hereby elects under Public Contract Code Section 22030 to become subject to the uniform public construction cost accounting procedures set forth in the Act and to the Commission's policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended.
- 2) The General Manager is directed to notify the State Controller forthwith of this election.
- 3) This Resolution shall take effect upon its adoption.

On the motion of Director _____, seconded by Director _____ and on the following roll call vote, to wit:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

The foregoing resolution is hereby passed, approved and adopted by the Board of Directors of the Los Osos Community Services District this 6th day of October, 2022.

Matthew Fourcroy, President
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

Ron Munds
General Manager and Secretary to the Board

Jeffrey A. Minnery
District Legal Counsel