California Uniform Public Construction Cost Accounting Act

August 2016
What is UPCCAA?

• California Uniform Public Construction Cost Accounting Act – UPCCAA or CUPCCAA
• Big picture – allows the District more flexibility when awarding small contracts for public projects, repair and maintenance
• Changes the Formal bid limit from $15,000 to $175,000 for public projects and the Formal bid limit from the bid threshold to $175,000 for repairs and maintenance
• Use of own workforce up to $45,000 (force account)
• FHDA adopted UPCCAA to include maintenance, and repair work
What is a “Public Project?”

• “Public Project” per PCC §§ 22002(c) –
  These are not Repairs or Maintenance

  (1) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.

  (2) Painting or repainting of any publicly owned, leased, or operated facility.
Repair

• Cases interpreting What is a “Repair”
  – The word ‘repair’ in its ordinary sense relates to the preservation of property in its original condition, and does not carry the connotation that a new thing should be made or a distinct entity created. (2) Minor repainting.’ (Whalen v. Ruiz (1953) 40 Cal.2d 294, 300-301, 253 P.2d. 457.)
  – “to repair means to mend an old thing, not to make a new thing; to restore to a sound state something which has become partially dilapidated, not to create something which has no existence.” (Id., 40 Cal.2d at p. 300, 253 P.2d 457)
Maintenance

• Maintenance (per PCC §§ 22002(d))
  (1) Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
  (2) Minor repainting.
  (3) Resurfacing of streets and highways at less than one inch.
  (4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
“Force Account” refers to work performed on public projects using internal resources, including but not limited to labor, equipment, materials, supplies, and subcontracts of the public agency. Project costs for force account work include the following:

- **Direct Costs:**
  - Labor including all benefit costs
  - Equipment charged on an hourly rate including depreciation, insurance, maint./repair, fuel and oil, tires and grease, etc.
  - Cost of materials and supplies with a total unit value of $25 or more including discounts, tax, and shipping.

- **Indirect Costs:**
  - Other labor including inspection, clerical, and supervision.
  - Other expenses including utilities, telephone, temporary fencing, etc.

- **Overhead Costs:**
  - Either the agency’s actual calculated overhead rate or 30% of direct costs.
Why are we doing this?

- **Increases Formal bid limits**
  - From $15k to $175k for public projects
  - From bid threshold to $175k for repair and maintenance

- **Saves time and money**
- **Fast track smaller projects**
- **Emergency process is streamlined**
- **Fair to small and local businesses**
  - Localized competition for work under $45k
- **Less money spent on architects and more on projects**
- **For the students**
Legal Requirements

$45,001 - $175,000
• Called the “Informal bid”
• Maintain a qualified contractors list
• Notice Inviting Bids to all listed contractors 10 days before bid due date
• Still need bonds for projects over $25k, DIR registration, prevailing wage . . .
• Workforce not allowed

Over $175,000
• Formal bid procedure remains the same
• Emergency process has changed – more streamlined
• Process for receiving no bids will change – ability to negotiate a contract
The Big Changes

• Delegated authority ($0-$175,000 UPCCAA)
  – Director of Purchasing Services
  – Senior Buyer, Special Projects
  – Vice Chancellor of Business Services

• Approved Banner Requisition is required prior to start of contract and execution of agreement

• BOT approval/ratification

• Limits are raised for Formal Bids

• New contract documents
<table>
<thead>
<tr>
<th>$0-$24,999 negotiated contract/PO</th>
<th>$25,000-$44,999 negotiated contract/PO</th>
<th>$45,000-$175,000 informal bidding</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Use college employees if possible (up to $15k)</td>
<td>• Develop scope of work (SOW)</td>
<td>• Develop scope of work</td>
</tr>
<tr>
<td>• Contact vendors and receive quotes</td>
<td>• Enter requisition for approximate dollar value and attach the SOW in Banner</td>
<td>• Enter requisition for approximate dollar value and attach the SOW/informal bid documents in Banner</td>
</tr>
<tr>
<td>• Have vendor sign Agreement</td>
<td>• Purchasing will work with requestor to finalize SOW and other required documents</td>
<td>• Purchasing will work with requestor to finalize SOW and other required documents</td>
</tr>
<tr>
<td>• Enter PR and attach contract</td>
<td>• Purchasing will send out RFQ and Agreement</td>
<td>• Purchasing will send out an informal bid for work to all listed contractors</td>
</tr>
<tr>
<td><strong>Once PO is issued, work may begin</strong></td>
<td>• Purchasing will obtain bonds and certificate of insurance</td>
<td>• Contract award will be to the lowest responsive, responsible bidder</td>
</tr>
<tr>
<td></td>
<td>• <strong>Once PO is issued work may begin</strong></td>
<td>• Purchasing will issue Agreement and obtain bonds and certificate of insurance</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• <strong>Once PO is issued work may begin</strong></td>
</tr>
</tbody>
</table>