

CUPCAA

(California Uniform Public Construction Cost Accounting Act)

OVERVIEW AND GUIDELINES

For

**RANCHO SANTIAGO COMMUNITY
COLLEGE DISTRICT**



2323 North Broadway
Santa Ana, CA
92706-1640

Introduction

The primary goal of the formal bid process is to facilitate competition from a broad group of potential vendors/contractors. Some of the typical steps of a formal bid process includes: developing a scope of work, advertising, clarifying the scope of work through addendums when needed, bid opening and award. All this is done before the project can be started. The processing time from preparation of the legal advertisement to award of bid is approximately eight (8) to twelve (12) weeks.

In order to reduce the time to commence a project the California Uniform Public Construction Cost Accounting Act (CUPCCAA) was enacted.

If electing to become subject to the Act, agencies must implement and adhere to detailed notice and accounting systems stated in the Cost Accounting Policies and Procedures Manual Published by the California Uniform Public Construction Cost Accounting Commission. The Rancho Santiago CCD Board of Trustees adopted the Act on November 20, 1995.

What is CUPCCAA?

This program was created in 1983 to provide public agencies an option to take action toward utilizing higher bid limits and to enhance the agency's ability to perform the public works project with force labor. The act is enacted under Public Contracts Code Section 22000 through 22045 (hereafter abbreviated as PCC 22000-22045).

Here is a summary of the effective bid limitations:

- Public projects of forty-five thousand dollars (\$45,000) or less may be performed by the employees of a public agency, by negotiated contract or by purchase order.
- Public projects of one hundred seventy-five thousand dollars (\$175,000) or less may be contracted by informal bid procedures.
- If all bids received are in excess of one hundred seventy-five thousand dollars (\$175,000) the governing body of the public agency may by adoption of a resolution by a four-fifths vote, award the contract at one hundred eighty-seven thousand five hundred dollars (\$187,500) or less to the lowest responsible bidder if it determines the cost estimate of the public agency was reasonable.
- Public projects of more than one hundred seventy-five thousand dollars (\$175,000) shall contract by formal bidding procedures.

Benefits of CUPCCAA

1. Higher bid limits.
2. Projects start sooner as a result of an expedited award process.
3. Opportunity to complete projects earlier.
4. Simplify project administration with enhanced procedures (authorization to public bidding and advertising, vendor prequalification and informal bidding).
5. Minimal changes to established procedures.
6. More effective contractor handling through prequalification.

**Traditional Bidding vs. CUPCCAA
Process Comparison Matrix Between Traditional Bidding
(PCC20650 et seq.) & CUPCCA (PCC 22030 et seq.)**

	Traditional	CUPCCAA
Qualification of Contractors	No	Yes
Bid Limit(s)	\$15,000	Up to \$175,000 as per PCC 22030 et seq.
Advertising	With every bid	Minimum once a year to establish qualification list.
Projects \$0 - \$14,999	Projects under \$15,000 may be negotiated by contract or purchase order	Projects under \$15,000 may be negotiated by contract or purchase order.
Projects \$15,000 - \$45,000	Projects \$15,000+ two or three competitive quotes are required	Request quotes from contractors on the qualified contractors list. Payment bond required for contracts in excess of \$25,000.
Projects \$45,001 - \$175,000	Projects \$15,000+ are informally bid	Must be informally bid to applicable trade contractors on qualified list and/or construction trade journals as specified in Section 22036. If possible all notices are to be sent electronically by email or fax. Notices shall be completed not less than <u>10 calendar days before bids are due.</u> Projects may be formally bid if it is determined to be in the best interest of the District.
Projects \$175,001 or greater	Projects \$15,000+ are formally bid	Formal bid. The notice shall be published at least <u>14 calendar days before the date of opening the bids</u> in a newspaper of general circulation. The notice inviting formal bids shall also be mailed to all construction trade journals as specified in Section 22036 at least <u>15 calendar days before the date of opening the bids.</u>
Payment Bond	Projects \$25,000 or greater	Projects \$25,000 or greater
Performance Bond	Projects \$25,000 or greater	Projects \$25,000 or greater

Informal Procedures

Qualified Contractors List

The Rancho Santiago Community College District shall create and maintain a list of qualified contractors for all transactions between zero (\$0) and one hundred seventy-five thousand dollars (\$175,000) in the following manner:

1. During November each year, the Purchasing Department shall create and maintain a list of qualified contractors as follows:
 - a. A written notice shall be published in construction journals specified by the commission (see Appendix C) as well as any other publications that the Purchasing Department deems appropriate. At least two of the trade journals must be chosen.
 - b. The notice shall invite all licensed contractors to complete and submit the contractors letter of interest application form to the Purchasing Department.
 - c. All applications including verifying contractor's license status shall be reviewed by the Purchasing Department. If the license is valid and current the contractor will be added to the list of qualified contractors for each calendar year.
 - d. The list of contractors will be identified according to categories of work.
2. At the completion of the calendar year, the list will be deemed completed, and a new list will be prepared in the same manner to begin on January 1st of the next calendar year.
3. Contractors may at any time during a calendar year request to be added to the list of qualified contractors. Notice and application will be posted year round on the Construction and Support Services web page as well as the Purchasing Department web page inviting contractors to apply.
4. The Purchasing Department will create and maintain the Construction and Support Services web page.

Public Work Projects under \$15,000

For all jobs between zero (\$0) and fourteen thousand nine hundred ninety-nine dollars (\$14,999) the District shall utilize the following procedures:

1. The end-user will have the discretion to select from the list of qualified contractors any contractor they deem to be in the best interest of the District and have a written quote submitted from the contractor.
2. Upon selection of the contractor as well as the submission of their quote, a requisition must be entered and forwarded to the Purchasing Department.
3. Purchasing will then process a purchase order along with the field agreement. After receipt of the purchase order and field agreement the contractor will be required to sign and return the field agreement to the Purchasing Department before payment can be issued. The contractor is responsible to make a copy of the field agreement for their records.

Informal Procedures

Public Work Projects from \$15,000 - \$45,000

For all jobs between fifteen thousand (\$15,000) and forty-five thousand dollars (\$45,000) the District shall utilize the following procedures:

1. The end-user will have the discretion to select from the list of qualified contractors any contractors they deem to be in the best interest of the District.
2. A requisition along with two or three written quotes from the contractors must be obtained and forwarded to the Purchasing Department. Written justification detailing the reason for not recommending the low bidder must be included.
3. Purchasing will then review and process a purchase order along with the field agreement. After receipt of the purchase order and field agreement the contractor will be required to sign and return the field agreement to the Purchasing Department before payment can be issued. The contractor is responsible to make a copy of the field agreement for their records.
4. Payment Bond and Faithful Performance Bond are required for jobs in excess of \$25,000. The contractor must submit 100% of the payment bond and faithful performance bond on District's form. This must be received prior to commencing work.

Public Works Projects from \$45,001 - \$175,000 (informal bidding procedure)

For all jobs between forty-five thousand one dollars (\$45,001) to one hundred seventy-five thousand dollars (\$175,000) the District shall utilize the following "informal" bidding procedures:

1. The Construction and Support Services Department prepares all plans and specifications to go out for informal bid.
2. The Construction and Support Services Department will issue a notice to all qualified contractors for the category of work being bid or all construction trade journals or both, inviting them to provide bids by the specified date and time. Notices shall be completed not less than ten (10) calendar days before bids are due. The notice must state that all bidders **must be on the qualified list prior** to submitting a bid.
 - a. Only those contractors listed on the qualified list within the applicable trades will be able to submit a bid.
 - b. Additional contractors or construction trade journals may be notified at the discretion of the district; provided however:
 - i. If there is no list of qualified contractors maintained by the district for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.
 - ii. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.
 - c. The lowest responsible bidder shall be awarded the project.
 - d. The award for informal bid projects are made by the Chancellor, Executive Vice Chancellor of Human Resources/Educational Services or the Vice Chancellor of Business Operations/Fiscal Services and ratified by the Board as a docket

memorandum. The Construction and Support Services is responsible for preparing the docket memorandum for board ratification.

- e. Upon award, the successful contractor will be required to submit all remaining required bid documents, i.e. Agreement, Payment Bonds, and Performance Bonds.
- f. Once all required documents have been signed and received from the successful bidder, the Construction and Support Services Department will forward the bid documents (bid packet) along with all the other bid packets from the other bidders to the Purchasing Department.
- g. The Purchasing Department will prepare the Notice to Proceed. The purchase order is considered as the Notice to Proceed.
- h. Payment Bond and Faithful Performance Bond are required. The contractor must submit 100% of the payment and faithful performance bond on the District's form.

Public Works Projects from \$175,001+

For all jobs from one hundred seventy-five thousand one dollars (\$175,001) and over, the District shall use the Formal Bidding Process as specified in the California Education Code and Public Contract Code.

Appendix A

What California Statute Governs CUPCCAA?

Public Contract Code Section 22030-22045

<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=pcc&group=22001-23000&file=22030-22045>

<p>22030 Application of Article</p>	<p>This article applies only to a 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. In the event of a conflict with any other provision of law relative to bidding procedures, this article shall apply to any public agency which has adopted a resolution and so notified the Controller.</p>
<p>22031 Alternative Procedures</p>	<p>Nothing in this article shall prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1.</p>
<p>22032 Contracting Procedures; Dollar Amount Limitations</p>	<p>(a) Public projects of forty-five thousand dollars (\$45,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.</p> <p>(b) Public projects of one hundred seventy-five thousand dollars (\$175,000) or less may be let to contract by informal procedures as set forth in this article.</p> <p>(c) Public projects of more than one hundred seventy-five thousand dollars (\$175,000) shall, except as otherwise provided in this article, be let to contract by formal bidding procedures.</p>
<p>22033 Separation of Work Orders or Projects; Evasion of Provisions of Article i.e., “Bid Splitting”</p>	<p>It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.</p>
<p>22034 Informal Bidding Ordinance</p>	<p>Each public agency that elects to become subject to the uniform construction accounting procedures set forth in Article 2 (commencing with Section 22010) shall enact an informal bidding ordinance to govern the selection of contractors to perform public projects pursuant to subdivision (b) of Section 22032. The ordinance shall include all of the following:</p> <p>(a) The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission.</p> <p>(b) All contractors on the list for the category of work being bid or all construction trade journals specified in Section 22036, or both all contractors on the list for the category of work being bid and all construction trade journals specified in Section 22036, shall be mailed a notice inviting informal bids unless the product or service is proprietary.</p> <p>(c) All mailing of notices to contractors and construction trade journals pursuant to subdivision (b) shall be completed not less than 10 calendar days before bids are due.</p> <p>(d) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the</p>

	<p>submission of bids.</p> <p>(e) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person.</p> <p>(f) If all bids received are in excess of one hundred seventy-five thousand dollars (\$175,000), the governing body of the public agency may, by adoption of a resolution by a four-fifths vote, award the contract, at one hundred eighty-seven thousand five hundred dollars (\$187,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.</p>
<p>22035 Emergencies</p>	<p>(a) In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two.</p> <p>(b) In case of an emergency, if notice for bids to let contracts will not be given, the public agency shall comply with Chapter 2.5 (commencing with Section 22050).</p>
<p>22035.5 Overcrowded Justice Facilities; Court Ordered Relief; Application of Section 22034</p>	<p>In counties that are under court order to relieve justice facility overcrowding, the procedures and restrictions specified in Section 20134 shall apply to all contracts issued under this chapter.</p>
<p>22036 Determination of Construction Trade Journals to Receive Notice of Informal and Formal Construction Trade Contracts</p>	<p>The commission shall determine, on a county-by-county basis, the appropriate construction trade journals which shall receive mailed notice of all informal and formal construction contracts being bid for work within the specified county.</p>
<p>22037 Notice Inviting Formal Bids; Information: Publication</p>	<p>Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project. The notice shall be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the public agency; or, if there is no newspaper printed and published within the jurisdiction of the public agency, in a newspaper of general circulation which is circulated within the jurisdiction of the public agency, or, if there is no newspaper which is circulated within the jurisdiction of the public agency, publication shall be by posting the notice in at least three places within the jurisdiction of the public agency as have been designated by ordinance or regulation of the public agency as places for the posting of its notices. The notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail and mailed to all construction trade journals specified in Section 22036. The notice shall be sent at least 15 calendar days before the date of opening the bids. In addition to notice required by this section, the public agency may give such other notice as it deems proper.</p>

<p>22038 Rejection of Bids; Failure to Receive Bids; Options</p>	<p>a) In its discretion, the public agency may reject any bids presented, if the agency, prior to rejecting all bids and declaring that the project can be more economically performed by employees of the agency, furnishes a written notice to an apparent low bidder. The notice shall inform the bidder of the agency's intention to reject the bid and shall be mailed at least two business days prior to the hearing at which the agency intends to reject the bid. If after the first invitation of bids all bids are rejected, after reevaluating its cost estimates of the project, the public agency shall have the option of either of the following:</p> <p>(1) Abandoning the project or readvertising for bids in the manner described by this article.</p> <p>(2) By passage of a resolution by a four-fifths vote of its governing body declaring that the project can be performed more economically by the employees of the public agency, may have the project done by force account without further complying with this article.</p> <p>(b) If a contract is awarded, it shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the public agency may accept the one it chooses.</p> <p>(c) If no bids are received through the formal or informal procedure, the project may be performed by the employees of the public agency by force account, or negotiated contract without further complying with this article.</p>
<p>22039 Adoptions of Plans, Specifications, and Working Details</p>	<p>The governing body of the public agency shall adopt plans, specifications, and working details for all public projects exceeding the amount specified in subdivision (c) of Section 22032.</p>
<p>22040 Plans, Specifications of Working Details; Examination</p>	<p>Any person may examine the plans, specifications, or working details, or all of these, adopted by the public agency for any project.</p>
<p>22041 Exemptions</p>	<p>This article does not apply to the construction of any public building used for facilities of juvenile forestry camps or juvenile homes, ranches, or camps established under Article 15 (commencing with Section 880) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, if a major portion of the construction work is to be performed by wards of the juvenile court assigned to those camps, ranches, or homes.</p>
<p>22042 Accounting Procedures</p>	<p>The commission shall review the accounting procedures of any participating public agency where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories:</p> <p>(a) Is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.</p> <p>(b) Exceeded the force account limits.</p> <p>(c) Has been improperly classified as maintenance.</p>
<p>22043 Work Done by Public Agency; Commission Review; Request</p>	<p>In those circumstances as set forth in subdivision (a) of Section 22042, a request for commission review shall be in writing, sent by certified or registered mail received by the commission postmarked not later than five business days from the date the public agency has rejected all bids. In those circumstances set forth in subdivision (b) or (c) of Section 22042, a request for commission review shall be by letter received by the commission not later than five days from the date an interested party formally</p>

	<p>complains to the public agency. The commission review shall commence immediately and conclude within 30 days from the receipt of the request for commission review. During the review of a project that falls within subdivision (a) of Section 22042, the agency shall not proceed on the project until a final decision is received by the commission.</p>
<p>22044 Written Findings; Failure to Comply with Chapter; Action</p>	<p>The commission shall prepare written findings. Should the commission find that the provisions of this chapter or of the uniform cost accounting procedures provided for in this chapter were not complied with by the public agency, the following steps shall be implemented by that agency:</p> <p>(a) On those projects set forth in subdivision (a) of Section 22042, the public agency has the option of either (1) abandoning the project, or (2) awarding the project to the lowest responsible bidder.</p> <p>(b) On those projects set forth in subdivision (b) or (c) of Section 22042, the public agency shall present the commission's findings to its governing body and that governing body shall conduct a public hearing with regard to the commission's findings within 30 days of receipt of the findings.</p>
<p>22044.5 Agency Revocation</p>	<p>If the commission makes a finding, in accordance with Section 22043, on three separate occasions within a 10-year period, that the work undertaken by a public agency falls within any of the categories described in Section 22042, the commission shall notify the public agency of that finding in writing by certified mail and the public agency shall not use the bidding procedures provided by this article for five years from the date of the commission's findings.</p>
<p>22045 Implementation of Procedures Review: Commission Recommendations</p>	<p>(a) No later than January 1, 1985, the commission shall recommend, for adoption by the Controller, written procedures implementing the accounting procedures review provided for in this article.</p> <p>(b) The Controller shall, upon receipt of the commission's recommendation, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission of the commission.</p>

Appendix B

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT CUPCAA

(California Uniform Public Construction Cost Accounting Act)

TYPE OF PURCHASE	DOLLAR LIMIT	REQUIREMENTS	BOARD APPROVAL	LEAD TIME
Public works (see definition below)	Under \$15,000	Negotiated Contract or Purchase Order (Field Agreement is required)	No advanced Board approved required	1-2 weeks
	\$15,000 - \$45,000*	Two or three competitive quotes are required. Departments must select contractors from prequalification list. Payment Bond and Faithful Performance Bond are required in excess of \$25,000. (Field Agreement is required)	No advanced Board approved required	1-3 weeks
	\$45,001 - \$175,000*	Informal bidding procedure Must be informally bid to applicable trade contractors on qualified list. All notices are to be sent to all qualified contractors on qualified list and/or construction trade journals as specified by the commission. Notices must be completed no later than 10 calendar days before bids are due.	Awarded by the Chancellor, Executive Vice Chancellor of Human Resources/Educational Services or the Vice Chancellor of Business/Fiscal Services. Board ratifies via Board memorandum.	8-12 weeks
	\$175,000+*	Formal bidding procedure Subject to standard formal bidding procedures. All notices are to be sent to the Orange County Register, trade contractors on qualified list and construction trade journals. Notices must be sent 15 calendar days before bids are due for trade contractors & construction trade journals. Fourteen (14) calendar days for Orange County Register.	Board approval required	8-12 weeks

* Per California Uniform Public Construction Cost Accounting Act Code Section 22032)
Payment Bond and Faithful Performance Bond required for projects in excess of \$25,000 or greater

Note: Guidelines (CUPCAA, Public Contract are standard regardless of funding source)

The definition of “public works” means any of the following:

1. Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility, any public structure, building, road or other public improvement of any kind.
2. Painting or repainting of any publicly owned, leased, or operated facility.

Legal Reference:
Civil Code 3100, 3106
Public Contract Code 1101, 22002(c)
Labor Code 1720

A “public works” does not include maintenance work. For purposes of this section, maintenance work includes all of the following:

1. Routine, recurring, and usual work for the preservation, protection and keeping of any publicly owned or publicly operated facility for its intended purposes in a safe and continually usable condition for which it was designed, improved, constructed, altered, or repaired. (Facility means any plant, building, structure, ground facility, utility system or real property).
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.
5. Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including but not limited to, dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher.

Legal Reference:
Public Contract Code 20656, 22002(d)

The definition of “emergency work”

1. “Emergency” means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.
2. In an emergency when any repairs, alterations, work, or improvement is necessary to any facility of the college, or to permit the continuance of existing college classes, or to avoid danger to life or property, the Board may by unanimous vote, with the approval of the county superintendent of schools make a contract in writing or otherwise on behalf of the district for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bids.

Legal Reference:
Public Contract Code 1102, 20654

Bid Splitting

1. It shall be unlawful to split or separate into smaller work orders or, projects, any work, project, service or purchase for the purpose of evading the competitive bidding laws.

Legal Reference:
Public Contract Code 20657

Appendix C

Formal Bidding: Advertisement Requirements 14 and 15 Calendar Days Prior to Bid Opening

Required Advertisements:

REQUIRED 14 CALENDAR DAYS BEFORE BID OPENING (Electronically or facsimile, if available)

Orange County Register Communications

625 N. Grand Avenue
Santa Ana, CA 92701
Office: 714-796-6751 Fax: 714-347-2578
Contact: Jennifer Chavez
email: jchavez@ocregister.com
Website: www.ocregister.com

Rancho Santiago Community College District Purchasing Website

<http://rsccd.edu/apps/rpub.asp?Q=786>

REQUIRED 15 CALENDAR DAYS BEFORE BID OPENING (Select at least two trade journals and submit electronically or facsimile, if available)

Associated General Contractors of America – San Diego Chapter (Estimated fee of \$85.00)

6212 Ferris Square
San Diego, CA 92121
Phone: 858-874-8560 x11
Fax: 858-874-8569
E-mail: jessica@agcsd.org

Deadline: End of the day Friday to be published Monday includes affidavit of publication (with fee) **OR**
Bid advertisement gets published within 24 hours of electronic document submission at no charge (Online Publication serves as proof of ad and no affidavit is provided)

Southern California Builders Association (No Charge)

7740 Painter Avenue, #100
Whittier, CA 90602
Phone: 562-320-3600
Fax: 562-320-3603
E-mail: scba@socalbuilders.org

Deadline: Bid advertisement gets published within 48 hours of electronic document submission at no charge (Online Publication serves as proof of ad and no affidavit is provided)

Informal Bidding: Advertisement Requirements 10 Calendar Days Prior to Bid Opening

Advertisements (Notices) are to be sent electronically or facsimile to the following:

All qualified contractors on qualified list for the category trade being bid
Construction trade journals (as above)