

**Assembly Bill No. 720**

**CHAPTER 683**

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

[Approved by Governor October 9, 2011. Filed with  
Secretary of State October 9, 2011.]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 720, 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 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.

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

SECTION 1. Section 22031 of the Public Contract Code is amended to read:

22031. (a) Prior to January 1, 2013, this article shall not 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.

(b) On or after January 1, 2013, this article shall not 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 for both of the following:

(1) Maintenance and emergency work.

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

(c) On or after January 1, 2013, for a county with a population of less than 50,000, this article shall not 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.

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

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

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

22032. (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.

(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.

(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 procedure.

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

22034. 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:

(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.

(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.

(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.

(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 submission of bids.

(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.

(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.

O