



Legislation Text

File #: 19-596, **Version:** 1

Ordinance amending Title 4, Chapter 4.04 of the South San Francisco Municipal Code pertaining to purchasing procedures and informal bidding.

WHEREAS, California law generally requires all public works contracts over the amount of \$5,000 be competitively bid;

WHEREAS, the Uniform Public Construction Cost Accounting Act (the "Act") provides a set of alternate, informal bidding procedure that municipalities may utilize if they have adopted the Act's accounting procedures; and

WHEREAS, the City of South San Francisco ("City") has opted in to adopt the Act's accounting procedures and has adopted an informal bidding procedures ordinance under Chapter 4.04 of the South San Francisco Municipal Code to utilize the bidding procedure under the Act; and

WHEREAS, Prior to January 1, 2019, the Act authorizes public projects of \$45,000 or less to be let without competitive bidding and be performed by force account, authorizes public projects of \$175,000 or less to be let by informal bidding procedures, and requires public projects of more than \$175,000 to be let by formal bidding procedures; and

WHEREAS, the Act also permits participating public agencies, in the event all bids received for the performance of a public project are in excess of \$175,000, to award the contract at \$187,500 or less to the lowest responsible bidder if it determines its cost estimate was reasonable; and

WHEREAS, Assembly Bill 2249 ("AB 2249") was passed in 2018 and became effective on January 1, 2019, and amended the dollar thresholds for the above-stated informal bidding options; and

WHEREAS, before AB 2249, the Act permitted participating public agencies, in the event all informal bids received for the performance of a public project are in excess of \$175,000, to award the contract at \$187,500 or less to the lowest responsible bidder if it determines its cost estimate was reasonable; and

WHEREAS, AB 2249, effective January 1, 2019, increased monetary bid limit thresholds, effectively adjusting the bidding procedures for when no bidding, informal bidding, and formal bidding procedures are required.; and

WHEREAS, AB 2249 now authorizes public projects of \$60,000 or less to be performed by city workforce without competitive bidding, authorizes public projects from \$60,001 to \$200,000 to be procured through informal bidding, and only require formal bidding for public projects of \$200,001 or more; and

WHEREAS, AB 2249 now permits participating public agencies, in the event all informal bids received for the performance of a public project are in excess of \$200,000, to award the contract at \$212,500 or less to the lowest responsible bidder if it determines its cost estimate was reasonable; and

WHEREAS, staff recommends that Chapter 4.04 of the South San Francisco Municipal Code be amended to reflect the changes in dollar thresholds for alternative bidding procedures under the Act, as amended by AB 2249; and

WHEREAS, based on all of the information presented at the July 10, 2019 City Council meeting, both written and oral, including without limitation the public comment, staff reports, minutes, and other relevant materials, the City Council finds that an ordinance amending the City's Purchasing Procedures set forth in Chapter 4.04 of the South San Francisco Municipal Code should be approved to reflect increased monetary limits for public construction cost accounting procedures set forth by AB 2249.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SOUTH SAN FRANCISCO, DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. Findings The City Council of South San Francisco, finds that all Recitals are true and correct and are incorporated herein by reference.

SECTION 2. Amendments

Chapter 4.04 "Purchasing System" of Title 4 of the South San Francisco Municipal Code is hereby amended with additions in double-underline and deletions in ~~striketrough~~. Sections and subsections that are not amended by this Ordinance are not included below, and shall remain in full force and effect.

...

4.04.072 Notice inviting informal bids.

...

(e) If all bids received are in excess of ~~one hundred seventy-five thousand dollars~~ two hundred thousand dollars, or the limits established by subsection ~~(f)~~ (d) of Section 22034 of the Public Contract Code, whichever is higher, the city council, by adoption of a resolution by a four-fifths vote, may award the contract, at no more ~~than one hundred eighty-seven thousand five hundred dollars~~ two hundred twelve thousand five hundred dollars, or the limit established by subsection ~~(f)~~ (d) of Section 22034 of the Public Contract Code, whichever is higher, to the lowest responsible bidder, if it determines the cost estimate was reasonable.

SECTION 3. Severability

If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION 4. Publication and Effective Date

Pursuant to the provisions of Government Code Section 36933, a summary of this Ordinance shall be prepared by the City Attorney. At least five (5) days prior to the Council meeting at which this Ordinance is scheduled to be adopted, the City Clerk shall (1) publish the Summary, and (2) post in the City Clerk's Office a certified copy of this Ordinance. Within fifteen (15) days after the adoption of this Ordinance, the City Clerk shall (1) publish the summary, and (2) post in the City Clerk's Office a certified copy of the full text of this Ordinance along with the names of those City Council members voting for and against this Ordinance or otherwise voting.

This Ordinance shall become effective thirty (30) days from and after its adoption.