

**CITY MANAGER'S REPORT  
AUGUST 12, 2019, CITY COUNCIL REGULAR MEETING**

**ITEM: PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER AN AMENDMENT TO TITLE 2, CHAPTER 2.36 PURCHASING SYSTEM AND TITLE 3, CHAPTER 3.30 INFORMAL BIDDING OF THE LATHROP MUNICIPAL CODE TO UPDATE THE CHAPTERS IN ACCORDANCE WITH THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT**

**RECOMMENDATION: Council to Consider the Following:**

- 1. Hold a Public Hearing; and**
- 2. Introduction and First Reading of an Ordinance Amendment to Title 2, Chapter 2.36 Purchasing System and Title 3, Chapter 3.30 Informal Bidding of the Lathrop Municipal Code to Update the Chapters in Accordance with the California Uniform Public Construction Cost Accounting Act**

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**SUMMARY:**

Staff proposes amendments to Lathrop Municipal Code (LMC) 3.30 to reference recent changes to the State of California's Uniform Public Construction Cost Accounting Procedures set forth in the Uniform Public Construction Cost Accounting Act. Staff also proposes amendments to Chapter 2.36 Purchasing System to reference LMC 3.30 procedures.

Staff recommends Council hold a public hearing and introduce an ordinance to amend LMC 2.36 Purchasing System and LMC 3.30 Informal Bidding in accordance with the California Uniform Public Construction Cost Accounting Act.

**BACKGROUND:**

On November 28, 2006, the City Council elected to become subject to the State of California's Uniform Public Construction Cost Accounting Procedures set forth in the Uniform Public Construction Cost Accounting Act.

On December 5, 2006, the City Council adopted Ordinance 06-264 adding Chapter 3.30 Informal Bidding to the LMC. Chapter 3.30 allows City employees to perform public project work under \$30,000 without a formal bidding requirement. It also established informal bidding procedures for contracting work between \$30,000 and \$125,000 in accordance with the Uniform Public Construction Cost Accounting Act.

**CITY MANAGER'S REPORT** **PAGE 2**  
**AUGUST 12, 2019 REGULAR CITY COUNCIL MEETING**  
**ORDINANCE AMENDING LMC 2.36 PURCHASING SYSTEM AND LMC 3.30**  
**INFORMAL BIDDING**

The state has since increased the limits allowing City employees to perform public project work under \$60,000 without a formal bidding requirement and allowing for informal bidding procedures for public project work between \$60,000 and \$200,000. Therefore, staff requests City Council consider amending LMC Chapter 3.30 Informal Bidding to update these thresholds in accordance with the current State of California's Uniform Public Construction Cost Accounting Procedures of \$60,000 and \$200,000 to take advantage of the higher informal bidding thresholds.

Additionally, Chapter 2.36 Purchasing System of the LMC does not reference the alternative Informal Bidding process of Chapter 3.30 and therefore staff recommends amending Chapter 2.36 Purchasing System to reference Chapter 3.30.

**REASON FOR RECOMMENDATION:**

Amendments to LMC 3.30 Informal Bidding are necessary to update the limit to which City employees can perform public project work and the thresholds for informal bidding. By increasing these limits, more projects will be eligible for informal bidding. Informal bidding helps expedite project delivery by reducing the time, effort, and expense associated with bidding projects under \$200,000 and simplifies administration for those projects.

**FISCAL IMPACT:**

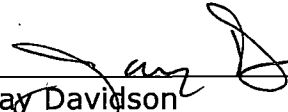
There is no direct fiscal impact associated with the adoption of the proposed ordinance amending LMC 2.36 Purchasing System and LMC 3.30 Informal Bidding.

**ATTACHMENTS:**

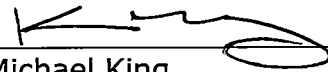
- A. Ordinance Amending Title 2, Chapter 2.36 Purchasing System and Title 3, Chapter 3.30 Informal Bidding of the Lathrop Municipal Code to Update the Chapters in Accordance with the California Uniform Public Construction Cost Accounting Act

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**ORDINANCE AMENDING LMC 2.36 PURCHASING SYSTEM AND LMC 3.30**  
**INFORMAL BIDDING**

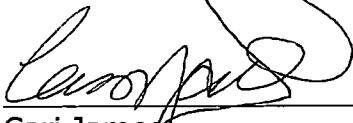
**APPROVALS:**

  
\_\_\_\_\_  
Jay Davidson  
Principal Engineer

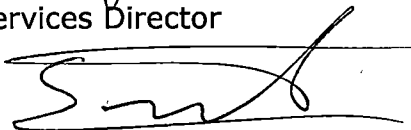
8-1-19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Michael King  
Assistant Director of Public Works


8-6-19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Cari James  
Finance & Administrative  
Services Director

8/6/19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

8-6-19  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

8-7-19  
\_\_\_\_\_  
Date

**ORDINANCE NO.**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP AMENDING TITLE 2, CHAPTER 2.36 PURCHASING SYSTEM AND TITLE 3, CHAPTER 3.30 INFORMAL BIDDING OF THE LATHROP MUNICIPAL CODE TO UPDATE THE CHAPTERS IN ACCORDANCE WITH THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT**

**WHEREAS**, on November 28, 2006, the City Council elected to become subject to the State of California's Uniform Public Construction Cost Accounting Procedures set forth in the Uniform Public Construction Cost Accounting Act; and

**WHEREAS**, on December 5, 2006, the City Council adopted Ordinance 06-264 adding Chapter 3.30 Informal Bidding to the Lathrop Municipal Code (LMC); and

**WHEREAS**, Chapter 3.30 allows City employees to perform public project work under \$30,000 without a formal bidding requirement and established informal bidding procedures for public project work between \$30,000 and \$125,000 in accordance with the Uniform Public Construction Cost Accounting Act; and

**WHEREAS**, the state has since increased the limits allowing City employees to perform public project work under \$60,000 without formal bidding requirement and allowing for informal bidding procedures for contracting public project work between \$60,000 and \$200,000; and

**WHEREAS**, staff requests City Council consider amending LMC Chapter 3.30 Informal Bidding to update these limits in accordance with the current State of California's Uniform Public Construction Cost Accounting Procedures of \$60,000 and \$200,000 to take advantage of the higher informal bidding thresholds; and

**WHEREAS**, Chapter 2.36 Purchasing System of the LMC does not reference the alternative Informal Bidding process of Chapter 3.30 and therefore staff recommends amending Chapter 2.36 Purchasing System to reference Chapter 3.30.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LATHROP DOES HEREBY ORDAIN AS FOLLOWS:**

Note: additions are shown below in underline font, deletions are shown in strikethrough font.

**Chapter 2.36 PURCHASING SYSTEM**

**2.36.050 Purchase procedure limits.**

A. General. Except as otherwise provided for "Public Project" contracts defined in Chapter 3.30, the following purchase procedure limits shall apply for the purchase of any supplies, equipment and/or services, as the case may be, pursuant to the procedure described in this chapter.

**AB.** No Purchase Order Required Procedure. For the purchase of any covered supplies, equipment, and/or services with a purchase price of two thousand four hundred ninety-nine dollars and ninety-nine cents (\$2,499.99) or less, exclusive of sales tax, use tax, shipping, handling or delivery charges, department heads may exercise discretion in selecting and purchasing such supplies, equipment and/or services. Purchases falling within this subsection shall not be required to obtain a purchase order, as described in section 2.36.070.

**BC.** Verbal Quotation Procedure. For the purchase of any covered supplies, equipment, and/or services with a purchase price, exclusive of sales tax, use tax, shipping, handling or delivery charges between two thousand five hundred dollars (\$2,500.00) to four thousand nine hundred ninety-nine dollars and ninety-nine cents (\$4,999.99), department heads shall obtain verbal (or written) quotations from three vendors. The department head shall then review the quotations, make a selection, and attach copies of any written quotations to the purchase order form, as described in Section 2.36.070.

**CD.** Written Quotation Procedure. For the purchase of any covered supplies, equipment, and/or services with a purchase price, exclusive of sales tax, use tax, shipping, handling or delivery charges from five thousand (\$5,000.00) to seventy-five thousand dollars (\$75,000.00). Department heads shall then review the quotations, make a selection, and attach copies of the written quotations to the purchase order form, as described in Section 2.36.070.

### **2.36.060 Formal bidding procedures.**

A. General. Except as otherwise provided by this chapter or in ~~Section 2.36.090~~ Chapter 3.30, purchases and contracts for supplies, services, equipment, and sale of personal property of estimated value of seventy-five thousand (\$75,000.00) dollars or more shall be by written contract with the lowest or highest responsible bidder, as the case may be, pursuant to the procedure described in this chapter.

## **Chapter 3.30 INFORMAL BIDDING**

### **3.30.010 Application.**

Contracts for work of ~~one~~ two hundred ~~twenty-five~~ thousand dollars (~~\$200,000.00~~ \$125,000.00) or less shall be governed by the Uniform Public Construction Cost Accounting Act, Division 2, Part 3, Chapter 2, of the Public Contract Code, Section 22000 et seq. and this chapter of the Lathrop Municipal Code.

**3.30.030 Work of \$60,000.00 ~~\$45,000.00~~ or less.**

Pursuant to Public Contract Code Sections 220033 and 22032, any work as defined in this chapter, of ~~forty-five~~ sixty thousand dollars (~~\$60,000.00~~~~\$45,000.00~~) or less may be performed by the employees of the city by force account, by negotiated contract, or by purchase order.

**3.30.040 Informal bidding procedures.**

Any work, as defined in this chapter, of ~~one two~~ two hundred ~~twenty-five~~ thousand dollars (~~\$200,000.00~~~~\$125,000.00~~) or less may be contracted for by the informal bidding procedures set forth in this chapter.

**3.30.060 Notice inviting informal bids.**

Where work subject to the provisions of this chapter is to be performed and the work does not meet the criteria set forth in Section 3.30.030 of this chapter, or informal bidding is desired, a notice inviting informal bids shall be mailed, faxed, or emailed to all contractors for the category of work to be bid, shown on the contractor's list, and/or to all appropriate construction trade journals as specified by the commission or both. Additional contractors and/or construction trade journals may be notified at the city's discretion. If there is no contractor's list 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. If the product or service required to be performed is, in the discretion of the city's director of public works, determined to be 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.

**3.30.070 Mailing, Faxing, or Emailing of notices inviting informal bids and project description.**

The mailing, faxing, or emailing of notices to contractors and/or construction trade journals pursuant to Section 3.30.060 of this chapter shall be completed not less than ten (10) calendar days before bids are due. The notice inviting bids shall: (1) describe the work in general terms; (2) explain how more detailed information about the proposed work may be obtained; and (3) state the time, date, and location for the submission of bids.

**3.30.090 Bids received in excess of \$200,000.00 ~~\$125,000.00~~.**

If all bids received are in excess of ~~one two~~ two hundred ~~twenty-five~~ thousand dollars (~~\$200,000.00~~~~\$125,000.00~~), the city council may, by passage of resolution by a four-fifths vote, award the contract for ~~one two~~ two hundred ~~thirty-seven~~ twelve thousand five hundred dollars (~~\$212,500.00~~~~\$137,500.00~~), or less, to the lowest responsible bidder, if the city council determines that the cost estimate was reasonable.

The Mayor shall sign this Ordinance and the City Clerk shall cause the same to be published within fifteen (15) days after its passage at least once in a newspaper of general circulation published and circulated in the City.

The foregoing Ordinance was introduced the 12<sup>th</sup> day of August and adopted this \_\_\_th day of \_\_\_\_\_, 2019 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

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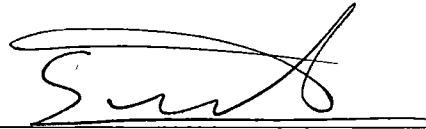
Sonny Dhaliwal, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

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Teresa Vargas, City Clerk



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Salvador Navarrete, City Attorney