

Legislation and Communications Committee



Update on proposal to increase local agency dollar threshold for public works construction contracts

Item 6a

February 10, 2025

CA Uniform Public Construction Cost Accounting Act

Subject

Report on the CA Uniform Public Construction Cost Accounting Act

Purpose

To educate the Board on an alternative to pursuing legislation following the Board's request to pursue legislation to increase Metropolitan's threshold for public bidding on construction contracts

CA Uniform Public Construction Cost Accounting Act

CA Uniform Public Construction Cost Accounting Act

Established in 1983 to promote uniform cost accounting standards and bidding procedures for construction work initiated by public agencies

Voluntary program available to all public agencies who have “opted in”

Allows for increased thresholds for public bidding on construction contracts

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Key Provisions

Currently, Metropolitan has a public bidding threshold of \$25,000. It may award public works contracts below this threshold without bidding, while requiring public bidding for contracts of \$25,000 or higher.

CUPCCAA raises the threshold as follows:

Under \$75,000	Negotiated Contract or Force Acct
\$75,000 220,000	Informal Public Bidding
Over \$220,000	Formal Public Bidding

CUPCCAA thresholds are adjusted for inflation.

CA Uniform Public Construction Cost Accounting Act

Requirements for Metropolitan Adoption

“Opting in” requires:

- Board adopted resolution stating Metropolitan elects to comply with the provisions of CUPCCAA, under Public Contracts Code 22030
- Board adopted policy to comply with the informal bidding requirements of the Act (i.e. prequalified contractors list and notice inviting bids)

Board has discretion to “opt out” at any time.

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CUPCCAA Governance and Enforcement

Governed and enforced by the CA Uniform Construction Cost Accounting Commission, under the State Controller's Office

Supported by the Construction Industry Force Account Council, a non-profit coalition of construction industry, contractors and labor unions that conducts investigations, reports findings to the Commission and advises public agencies on CUPCCAA compliance.

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Conclusion

Staff review of the CUPCCAA policies and procedures has determined that compliance with the Act would not pose an undue burden to our operations while providing benefits in the form of increasing our threshold for public bidding and streamlining execution of construction contracts.

