



D. A. McCosker, President

Steve Harris, Vice President

Mike Hester, Treasurer

Dave Thomas, Secretary

March 11, 2010

Marian Bergeson, Chairwoman and Members of the Charter Update Commission
City of Newport Beach
3300 Newport Boulevard
Newport Beach, CA 92663

Dear Chairwoman Bergeson and Members of the Commission:

The Construction Industry Force Account Council (CIFAC) monitors public entities for compliance with the California Public Contract Code (PCC). We represent contractors, contractor associations and the building trades. It has come to our attention the Charter Update Commission is considering a ballot item to increase the City's bidding threshold from \$30,000.

CIFAC would like to inform the Charter Update Commission of the California Uniform Construction Cost Accounting Act (the Act) commencing with §22000 of the California Public Contract Code. A participating agency would be able to increase its formal bidding threshold on public construction projects to \$125,000. New public construction projects between \$30,000 to \$125,000 may be let to contract by informal bidding procedures from an informal bidders list established by the City and updated annually. The City Council would only need to elect by resolution to become subject to the Act and file a copy of the resolution with the State Controller's Office.

Should the City elect to become signatory to the Act, it will raise the force account and bidding threshold limits without having to go to election. Although the Commission may wish to add language which allows the City more flexibility, the people of the City will have to vote in favor in order for the measure to pass. In the current competitive bidding environment, many public entities are receiving bids of up to 30% below their engineer's estimates. Taxpayers can see how these savings can contribute to a better community when their tax dollars go much further in providing improvements throughout the City.

I would like to offer to attend an upcoming meeting to answer any questions the Commission may have concerning the Act and how adopting this resolution would enable the City the full benefits of the program. A Charter City is welcome to participate, in fact there are several charter cities in surrounding areas who are signatory to the Act.

Cathryn Hilliard, Executive Director



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Please feel free to contact me at (951) 214-9196 if you have any questions. I look forward to an opportunity to share additional information regarding the California Uniform Construction Cost Accounting Act. Thank you for your time and consideration.

Sincerely,



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