

Agenda Report

File #: 2019-785, **Version:** 1

FROM: James D. Herberg, General Manager

SUBJECT:

LEGISLATIVE CONCEPTS

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve Legislative Concept 2: Amend Public Contracting Code for sanitation districts to allow sanitation districts, whose service area includes a population of more than 1 million, the opportunity to utilize Job Order Contracting as a bid procurement procedure. This change should be an addition to Public Contract Code, Division 2, Part 3, Chapter 1, Article 50.

BACKGROUND

The Sanitation District is a leader in the wastewater industry and known for being innovative and resourceful. At the direction of the Legislative and Public Affairs Committee, staff has identified three potential legislative bills that the Orange County Sanitation District (Sanitation District) could carry or co-sponsor in the coming legislative cycles that would help further the mission of the Sanitation District and help our agency deliver services more efficiently and effectively.

RELEVANT STANDARDS

- Build brand, trust, and support with policy makers and community leaders
- Ensure the public's money is wisely spent
- Maintain influential legislative advocacy and a public outreach program
- Listen to and seriously consider community input on environmental concerns

ADDITIONAL INFORMATION

At the November 4 Legislative and Public Affairs Committee meeting, Townsend Public Affairs provided an update on four possible legislative concepts. Staff was advised to review three of the concepts and provide a recommendation at the December 9 Committee meeting. Following is an overview on each concept and a recommendation.

Legislative Concept 1: Amend Public Contracting Code for Sanitation Districts to modify the

bid advertising requirement.

In 2018, Assemblyman Daly ran Assembly Bill 2003, sponsored by the Sanitation District. The bill aimed to expand the allowable public notification methods for construction bids to include internet websites, radio, television, or other media as bid advertising platforms. Unfortunately, due to the opposition from the newspaper industry and committee staff from Northern California, the bill was pulled and did not pass. Following is a list of the support and opposition we received in 2018:

Support

Orange County Sanitation District [Sponsor]
California Association of Sanitation Agencies
California Special Districts Association
Cities of: Fullerton, Huntington Beach, and Placentia
City of Irvine Councilmember Melissa Fox
Costa Mesa Sanitary District County
Sanitation Districts of Los Angeles County
Irvine Ranch Water District
Midway City Sanitary District
Vallejo Flood and Wastewater District

Opposition

Air Conditioning Sheet Metal Association (unless amended)
California Chapters of the National Electrical Contractors Association (unless amended) California
Legislative Conference of the Plumbing, Heating and Piping Industry (unless amended)
California News Publishers Association
California State Building and Construction Trades Council (unless amended) Construction Industry
Force Account Council (unless amended)
Northern California Allied Trades (unless amended)
Southern California News Group United Contractors (unless amended)
Wall and Ceiling Alliance (unless amended)
Western Wall & Ceiling Contractors Association (unless amended)
Williams Pioneer Review
Colusa County News

Legislative Concept 2: Amend Public Contracting Code for sanitation districts to allow sanitation districts, whose service area includes a population of more than 1 million, the opportunity to utilize Job Order Contracting as a bid procurement procedure.

The Job Order Contracting (JOC) process is a flexible, cost-effective unit price contracting method used to complete maintenance, repair, and refurbishment of County infrastructure and building facilities. JOCs are publicly advertised for competitive bidding and awarded to the lowest responsive and responsible bidders in accordance with the State Public Contracting Code. Instead of dealing with the time and expense of bidding each project separately, with JOC, the contract has already been competitively awarded for an indefinite number of projects, enabling contractors to respond quickly and construction to begin faster. The use of JOCs is a straightforward contracting process that provides accelerated project delivery, reduces administrative costs, and lowers direct construction costs while meeting all local, State, and Federal procurement requirements.

Legislative Concept 3: Amend Public Contracting Code for Sanitation Districts to increase the threshold for contracting in 2020.

Current law, public contract code section 20783, states that any force account work done by a sanitation district themselves cannot exceed \$5,000. Furthermore, the same code states that any expenditure for work exceeding \$35,000 shall be bid to the lowest responsible bidder after notice.

PROPOSED SOLUTION

Legislative Concept 2: sponsor a bill to allow sanitation districts whose service area includes a population of more than 1 million the ability to utilize Job Order Contracting as a bid procurement procedure. This change would be an addition to Public Contract Code, Division 2, Part 3, Chapter 1, Article 50.

At this time, staff is recommending that we do not sponsor bills for Legislative Concepts 1 and 3 that would expand the allowable public notification methods for bid advertising and increase the public works contract bid threshold as we do not see enough benefit to the Sanitation District considering the effort required to see these bills through the legislative process.

TIMING CONCERNS

To be considered in the next legislative year, it is imperative that we receive guidance from the Committee on which bills we should carry or co-sponsor.

RAMIFICATIONS OF NOT TAKING ACTION

If we do not sponsor the bill for Legislative Concept 2, the Sanitation District could lose out on the opportunity to improve project delivery efficiency.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

N/A