

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 5/21/2013	(3) CONTACT/PHONE Dave Flynn, Deputy Director of Public Works (805) 781-5252	
(4) SUBJECT Submittal of a resolution permitting road construction projects performed by County forces. All Districts.			
(5) RECOMMENDED ACTION It is our recommendation that your Board adopt the attached resolution authorizing the Director of Public Works to implement construction projects via County forces within the limitations of the Public Contract Code.			
(6) FUNDING SOURCE(S) Road Fund	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP No	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 5/3/11; A-10	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts -			

Reference: 13MAY21-C-14

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
Dave Flynn, Deputy Director of Public Works

VIA: Paavo Ogren, Director of Public Works

DATE: 5/21/2013

SUBJECT: Submittal of a resolution permitting road construction projects performed by County forces. All Districts.

RECOMMENDATION

It is our recommendation that your Board adopt the attached resolution authorizing the Director of Public Works to implement construction projects via County forces within the limitations of the Public Contract Code.

DISCUSSION

Effective January 1, 2013, Assembly Bill 720 amended the Public Contract Code (PCC) Section 22031 to restrict the amount of road construction work activities which may be performed by County forces. Under the code, the County may not exceed 30 percent of the prior year's expenditures by County forces for implementing construction projects as reported in the State Controllers' Streets and Roads Annual Report. This limit excludes maintenance activities of existing facilities, such as pavement patching, chip sealing and street operations (mowing, sweeping), but instead focuses on construction of new roads or road reconstruction.

The code is applicable to those Counties which have adopted the Uniform Construction Cost Accounting Act, which our County adopted in the 1990's, and establish limits to the Road Commissioners' authority to use County forces under PCC Section 20395. Your Board had previously sent legislator's letters in opposition to the original bill back in May 2011. As a result, the final act provided a higher expenditure limit than originally introduced. At this time, we do not expect this limit to alter our current operations or approaches.

As part of Section 22031, it is required that your Board authorize the Director of Public Works, acting as the Road Commissioner, to implement the road construction by use of County forces pursuant to Section 20395 of the Public Contract Code. In addition, the attached resolution establishes the Director of Public Works as the responsible party, as allowed under Section 22031(e), to provide notice of the pending project work prior to County forces proceeding with the projects. The resolution establishes public notification on the Department website and posting at the Government Center buildings.

Use of County forces for implementing road improvements is an important tool in keeping County facilities operational and safe. Having the flexibility to immediately and directly construct projects allows our department to be cost effective with our limited budget for improvements. Specifically, we realize savings from eliminating the need for the preparation of contract documents, advertisement, and construction contract oversight when we utilize our forces to complete the work. The types of projects typically done by County forces involve:

- Localized Storm Drain or Drainage improvements
- Road slope failure reconstructions
- Minor safety improvements such as guardrail or curve corrections
- Short sections of road reconstruction
- Small bridge structure improvements

As our County forces are focused on routine maintenance responsibilities, the magnitude of construction projects completed are generally under \$100,000 for any one location. Construction projects with costs over that amount are capital projects which are developed into construction contracts for advertisement. The capital program for contract work typically ranges between \$10-12 million annually and includes the significant road work such as the Asphalt overlay contracts or road widening projects.

OTHER AGENCY INVOLVEMENT/IMPACT

Public Works will be responsible for tracking the cost related to work under PCC Section 22031. Work done by our crews will be coded to define work over routine maintenance and a final report of project sites will be developed each fiscal year.

Implementation of the legislation has been guided by input by members of the California State Association of Counties (CSAC).

FINANCIAL CONSIDERATIONS

For our County, the 30 percent limit is an annual restriction for construction activities of approximately \$2.2 million. Our historic expenditures under road construction have not reached this limit and we would not expect this to be an issue in upcoming years as long as the limit remains at 30 percent.

RESULTS

Approval of the resolution will allow the Director of Public Works to proceed with construction activities utilizing County forces. Construction of noticed projects will improve County facilities through cost saving methods which will provide for a safer and well governed community.

c: Jeremy Ghent, Roads Maintenance Manager

File: Roads - General

Reference: 13MAY21-C-14

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ATTACHMENTS

1. Resolution Authorizing the Director of Public Works to Perform Road Construction Projects by County Force Account