



Agenda Item No: 1.f

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: April 1, 2025

Submitted by: Samantha Byfield

From: Public Works

Subject:

Adoption of Resolution No. R-2025-07, Delegating Authority to the City Administrator and/or Their Designee to Record Notices of Completion for Public Works Projects

Financial Impact:

Fiscal Impact:

There is no fiscal impact associated with the recommended action.

Summary:

A Notice of Completion (NOC) is a legal document filed by the City to officially indicate when construction on a public works project has been completed. The NOC is recorded at an Orange County Clerk Recorder's Office after construction work is accepted as complete by the Director of Public Works/City Engineer and accepted by the City Council at a regularly scheduled City Council meeting. The current procedure is that when a project has completed construction, staff schedules it to be accepted at the next City Council meeting under an NOC. This process takes at least two weeks for it to be on the next Council meeting's agenda, however, California Civil Code Section 9204 requires that an NOC be recorded within 15 days of project completion. This means that by the time the project is complete and the item is on the next Council meeting's agenda, it has already passed the timeframe when an NOC was supposed to be recorded at the Orange County Clerk Recorder's Office. Timely filing of the NOC helps limit the City's liability exposure related to payment claims from subcontractors, laborers and suppliers. In order to meet legally required filing deadlines, staff recommends that the City Council adopt a resolution authorizing the City Administrator to record notices of completion.

Recommendation:

Recommended Action: It is recommended that the City Council take the following action:

1. Adopt Resolution No. R-2025-07, authorizing the City Administrator or their designee to record notices of completion.

Strategic Plan Statement:

This item is consistent with the City Council approved Five Year Strategic Goal, number 8, to improve City governance, under Objective 8.1 which is to update all rules, policies and procedures to be consistent with Memorandums of Understanding and State/Federal regulations.

Discussion:

An NOC is a legal document filed by the City to officially indicate when construction on a public works project has been completed. The NOC is recorded at an Orange County Clerk Recorder's Office after construction work is accepted by the Director of Public Works/City Engineer and accepted by the City Council at a regularly scheduled City Council meeting.

In accordance with Section 9204 of the California Civil Code, the City must record an NOC within 15 days of project completion. Timely filing of the NOC helps limit the City's liability exposure related to payment claims from subcontractors, laborers and suppliers. Currently, City Council meetings occur twice a month, which can result in delays in recording NOCs. These delays may hinder compliance with statutory requirements and increase the City's risk of legal and financial exposure.

Subcontractors, laborers, and suppliers, among others, on a public works project may serve the City with a stop payment notice to ensure that they are paid in full for their work. If such stop payment notices are timely filed, the City has a duty to withhold sufficient money from the general contractor in order to pay the claim and any reasonable costs of litigation. To be effective and under California Civil Code 9356, stop payment notices must be served on the City either within 30 days after the City records a timely NOC, or if an NOC is not filed, within 90 days after cessation or project completion. For the purposes of recording an NOC, a public works project is deemed complete at the earlier of when the project is accepted by a public entity, or where work ceases for a continuous period of 60 days. Therefore, it is in the best interest of the City to record NOCs on public works projects expeditiously in order to limit the City's exposure to any liabilities.

To be effective, the City must record the NOC within 15 days after completion of the public works project. Accordingly, delegating authority to the City Administrator to record NOCs will help ensure that such notices are recorded promptly. The resolution would authorize the City Administrator to record NOCs upon the Director of Public Works/City Engineer's acceptance of the construction work as complete. If the resolution is adopted, NOCs will not need to be approved by the City Council at a regular meeting. Instead, the City Administrator and/or their designee would be able to record the NOC immediately after the acceptance of construction work to limit City exposure to liabilities.

Fiscal Impact Summary:Fiscal Impact:

There is no fiscal impact related to approving the recommended action.

Attachments

[Attachment_1_-_Resolution_for_Issuance_of_Notice_of_Completion.docx](#)