

California Uniform Construction Cost Accounting Commission

Minutes of the Wednesday, December 17, 2014 Meeting

Locations

California State Controller's Office
300 Capitol Mall, 6th Floor Terrace Room
Sacramento, CA 95814

1. Call to order

Chair George Hicks called the meeting to order at 10:02 am.

California Uniform Construction Cost Accounting Commission:

Present: George Hicks, Jeff Armstrong, Eddie Bernacchi, Robert Campbell, Guiselle Carreon, Linda Clifford, Steven L. Hartwig, Nathaniel Holt, David McCosker, David Cruce, and Michael R. Hester.

Absent: Will Clemens, Cesar R. Diaz, Lisa Ekers

Guests: Cathryn Hilliard, Construction Industry Force Account Council (CIFAC)
Ed Buonaccorsi, County of Sonoma

via Teleconference: William R. Dildine, Public

State Controller's Office: Anita Dagan, Manager, Local Government Policy Section
Lili Apgar, Fiscal Analyst
Michael Gungon, Fiscal Analyst

2. Introductions

The commissioners, staff and guests all introduced themselves.

3. Oath of Office

a. *Newly Appointed Commissioners* – Commissioner Hicks administered the Oath of Office to the two Commissioners recently appointed by the Controller.

i. *Mr. David Cruce* was appointed to represent general contractors.

ii. *Mr. Michael R. Hester* was appointed to represent subcontractors.

4. Approval of the Minutes for the Meeting of August 14, 2014 (Refer to attachment Item 4)

Commissioner McCosker motioned and Commissioner Campbell seconded to approve the minutes of the August 14, 2014 meeting. **The motion passed 9-0, with Commissioners Cruce and Hester abstaining.**

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5. Commission Update (Refer to attachment Item 5)

- a. *Report on new participating agencies* – Staff presented an updated participating agency list, noting 12 new agencies have opted into the CUPCCAA (Act), bringing the number of agencies participating in the Act to 897. Staff explained the database continues to be reconciled.
- b. *Funding update* – Staff reported that the Commission had \$3,563.58 of unrestricted funds available for its use.

6. Public Comment

No comments from the public.

7. Staff Comment/Requests

No comments from staff.

8. Commissioner Comments/Requests/Questions

- a. *SCO's Fall Conference 2014* – Commissioner Clifford commented that SCO's Fall Conference held in San Luis Obispo, helped inform and educate others about CUCCAC. Anita Dagan presented to the Commission that there are two annual conferences: The Spring Conference hosted by State Association of County Auditors (SACA) and the Fall Conference (co-hosted by SCO). The next Fall Conference will be held on October 2015 in North Lake Tahoe. Commissioner Clifford suggested adding 30 minutes to the next Conference for a CUCCAC presentation.
- b. *Public Outreach* – Commissioner Hartwig provided a follow up to the Commission for a CUCCAC presentation at the League of California Cities annual conference. The 2015 deadline has passed but the Commission agreed to seek time for a presentation at the 2016 conference.

Commissioner Carreon's efforts in a recent outreach presentation were well received with feedback and inquiries from participants. Three workshops will be provided by Commissioner Carreon in 2015 to public schools and colleges in Fresno, San Bernardino, and Riverside to spread awareness of CUCCAC.

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9. Old Business

- a. *Legislative Update* – Commissioner Bernacchi updated the Commission technical changes to the annual participation fee explored by the Commission. After helpful discussions with the SCO, there are more impacts that would be associated with administering a fee such as increased staff workload. The idea of a fee is not openly opposed by public agencies; however, it is not widely supported by legislative representatives. Commissioner Clifford agreed the imposing a fee in legislation would be a challenge as the Commission has limited enforcement rights.

Commissioners Bernacchi and Clifford introduced the Commission review the possibility of proposing legislative language to amend the Public Contract Code to expand the requirements of the SCO and provide a budget for the Commission.

The Commission reviewed the current legislative language proposed by Commissioner Bernacchi which would incorporate slight (non-legislative) changes to the *Cost Accounting Policies and Procedures Manual* prescribed by the Commission in conjunction with the SCO. One of the examples mentioned was to provide clearer standards for the three strikes imposed by CUCCAC. Commissioner Bernacchi motioned and Commissioner Clifford seconded to pursue the legislative change language as presented and address the requirements in the list of Frequently Asked Questions maintained by the Commission. **The motion passed 11-0.**

- b. *Commission finding against the County of Sonoma* – Commissioner Hicks provided the Commission with a follow up regarding the finding against the County of Sonoma. The finding letter was mailed by the SCO on behalf of the Commission. At the request of the county, Commissioners Hicks and Hartwig provided training in Sonoma. The training was well received and helpful in introducing the Commission's responsibilities and duties. The Commission is willing to provide assistance to counties and other participating agencies when asked. Cathryn Hilliard also expressed CIFAC is available for assistance to participating agencies.

c. *Subcommittee Reports*

- i. *Force Account limit guidelines in response to CIFAC's request for clarification* – Items 9c i and 9c iii were discussed jointly by the Commission. Chair Hicks explained there are no clear limits on JOC contracts. In the case of the County of Ventura, participants may perform work on a JOC if the work remains under the \$175,000 informal bid limit. Once the costs are over \$175,000, the contract would not be considered JOC. Commissioner Bernacchi provided clarification new work projects must not exceed the informal bid limit. Commissioner Clifford proposed the Commission formally respond in writing to CIFAC and the County of Ventura. Chair Hicks proposed adding the Commission's solution to the FAQ's. Commissioner Bernacchi motioned and Commissioner McCosker seconded for the subcommittee to approve the subcommittee's report. **The motion passed 11-0.**

Commissioner Clifford motioned and Commissioner Hartwig seconded to approve a response letter to CIFAC and the County of Ventura.

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- ii. *Updated FAQ's in response to CIFAC's and Calleguas Municipal Water District's requests to amend the manual language for informal bidding lists* – Commissioner Clifford suggested adding a statement to clarify FAQ number nine (9). Commissioner Clifford motioned and Commissioner Holt seconded for the subcommittee to provide changes to the manual, and FAQ numbers five (5) and nine (9), to be approved by the Chair and posted to the CUCCAC web page. **The motion passed 11-0.**
- iii. *CIFAC's request for clarification on use of job order contracting and informal bidding procedures interactively* – See Item 9c i.
- d. *Commission Vacancies* – The SCO reported all Commission positions are currently filled.
- e. *Bylaws* – Commissioner Clifford motioned and Commissioner Hartwig seconded to approve the Bylaws as amended. **The motion passed 11-0.**

10. New Business

- a. *FAQ Question 25* – Commissioners Hicks and Carreon have received conflicting information and request the Commission discuss to clarify FAQ question 25. Commissioner Holt acknowledges there are sometimes unforeseen costs to a project that result in exceeding the informal bid limits. Commissioner Cruce motioned for the subcommittee to reconstruction a response to FAQ question 25 to specifically address school districts. Commissioner Bernacchi motioned and Commissioner Hartwig seconded for Chair Hicks to assign a new subcommittee to address FAQ question 25 and report at the next meeting. **The motion passed 11-0.** Chair Hicks assigned Commissioners Cruce, Holt, and Carreon to the subcommittee.

11. Next Meeting

The Commission tentatively scheduled the next meeting date for Wednesday, March 18th, 2015 from 10:00am – 2:00pm.

13. Adjournment

Commissioner Clifford motioned and Commissioner Hartwig seconded to adjourn the meeting. **The motion passed 11-0 and the meeting was adjourned at 11:52am.**

If you would like further information regarding this meeting, please contact:

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