

California Uniform Construction Cost Accounting Commission

Meeting Agenda

January 30th, 2014
10:00AM to 2:00PM

Teleconference Number: (877) 581-9247
Participation Code: 221558

Locations

California State Controller's Office
300 Capitol Mall, 2nd Floor, San Diego Room
Sacramento, CA 95814

1. **Call to Order**
2. **Introductions**
3. **Oath of Office**
4. **Approval of the Minutes for the Meeting of December 13, 2013 (Refer to attachment Item 4)**
5. **Commission Update (Refer to attachment Item 5)**
 - a. Report on new participating agencies
 - b. Funding update
6. **Public Comment**
(Limit of five minutes, unless the item you are addressing is on the agenda. If the item is on the agenda, notify the chair and you will be recognized at that time.)
7. **Staff Comment/Requests**
8. **Commissioner Comments/Requests/Questions**
9. **Old Business (Refer to attachment Item 9a)**
 - a. Manual Changes
 - b. Legislative Changes
 - i. Proposed language
 - ii. Strategic plan to implement fee language
 - c. SCO Website Update

California Uniform Construction Cost Accounting Commission

10. New Business (Refer to attachment Item 10c)

- a. The San Diego County Office of Education would like the Commission to determine if facilities JPAs can maintain a list and advertise on behalf of member school districts
- b. Commission Vacancies
- c. SCO Travel Claim Policy

11. Annual Report to the Legislature

12. Next Meeting

13. Adjournment

If you would like further information regarding this meeting or require special accommodation for attending this meeting, please contact:

State Controller's Office
Local Government Policy Section
LocalGovPolicy@sco.ca.gov

Item 5 – Commission Update

5a. Report on new participating agencies.

5 new agencies have opted into the UPCCAA, bringing the number of agencies participating in the Act to 874.

5b. Funding update.

The Commission has \$4,075.22 of unrestricted donations available for its use.

California Uniform Construction Cost Accounting Commission

Cost Accounting Policies and Procedures Manual



Revised — January 2014

Controller John Chiang
California State Controller's Office

Preface

The Uniform Public Construction Cost Accounting Act (Act), enacted in 1983 under Public Contract Code Section 22000 et seq., allows local agencies to perform public project work of up to \$ 45,000 with their own workforces if the agencies elect to follow the cost accounting procedures set forth in the *Cost Accounting Policies and Procedures Manual* by the California Uniform Construction Cost Accounting Commission.

Every five years, the California Uniform Construction Cost Accounting Commission reviews the informal bid limits for inflation and other factors to determine whether adjustments should be made. If an adjustment is made, the State Controller notifies the affected public agencies. The adjustment may become effective before it appears as a formal change in the Public Contract Code. The most recent informal bid limits can be found at www.sco.ca.gov/ard/local/index.shtml.

Any local agency can voluntarily elect to become a participating agency of the Act. Local agencies include cities, counties, redevelopment agencies, special districts, school districts, and community college districts. Participating agencies benefit from the raised force account limit and the informal bidding procedures. More projects are completed in a timely manner as a result of the streamlined awards process and the reduction in paperwork related to advertising and report filing.

~~The Act allows agencies to apply an overhead rate in a simplified or calculated method. Local agencies with a population of less than 75,000 may use the simplified method to apply an overhead rate of 20% of all direct costs. Local agencies with a population of 75,000 or more may use an overhead rate of 20% of all direct costs. If a local agency elects to calculate an overhead rate, it can use Appendices A and B in this manual as a reference, or it may calculate an overhead rate on its own, provided that it uses acceptable accounting procedures and includes all administrative costs.~~

AGREED

Table of Contents

Part I

Information for Adoption and Implementation of the California Uniform Public Construction Cost Accounting Act

Instructions for Adoption and Implementation of the Uniform Construction Cost Accounting Procedures by Local Agencies	3
Sample Election Resolution	4
Sample Informal Bidding Ordinance	5
Procedure for Establishment and Maintenance of List of Qualified-Registered Contractors Per Section 22034 of the Public Contract Code <u>Agreed</u>	67
County-by-County List of Construction Trade Journals Which Shall Receive Written Notice of All Informal and Formal Construction Contracts Being Bid for Work (Per Section 22036 of the Public Contract Code)	78
List of Construction Trade Journals	94
Accounting Procedures Review	167
Uniform Public Construction Cost Accounting Act	189

Part II

Uniform Public Construction Cost Accounting Policies and Procedures

I. Introduction	283
	1
Uniform Public Construction Cost Accounting Act	293
	3
II. Uniform Public Construction Cost Accounting Policies and Procedures	323
	7
CUCCAC Philosophy	339
Applicable Projects	339
Definitions	339
Public Agency Organization Structure	354
	+
Classification of Costs	354
	+
Direct Costs	41
Labor	42
Equipment	42
Permanent Materials and Supplies	42
Subcontracts	43
Nonpermanent Materials and Supplies/Miscellaneous Costs	43

Indirect Costs	43
Labor	43
Other Project Expenses	43
Overhead Costs	43
Simplified Overhead Rate	43
Calculated Overhead Rate	394
Project Identification	4
Project Tracking	45
Examples of Project Tracking Systems	45
Discussion of Example	45
Estimated vs. Actual Costs	48
Discussion of Example	48
III. Identification, Reporting and Computation of Personnel Costs	51
Tracking Personnel Time	53
Timekeeping System	53
Examples of Timekeeping Systems	53
Application of Timekeeping Systems	54
Public Project Unit	54
Other Organizational Units Performing Work on Public Projects	55
Recording Time to Public Projects	55
Computing Personnel Costs	58
Productive Hourly Rate	58
Annual Personnel Costs	58
Productive Hours	60
Unit Overhead Rate	60
Public Project Unit	60
Organizational Unit Performing Public Project Work	60
Government-Wide Overhead Rate	60
Discussion of Example	62
IV. Identification, Reporting and Costing of Materials, Supplies and Subcontracts	65
Tracking Materials and Supplies	67
Direct Purchases	67
Inventory	67
Costing Materials and Supplies	68
Direct Purchase	68
Inventory	68
Discussion of Example	68
Handling/Carrying Costs	69
Subcontracts	69
V. Identification, Reporting and Costing Equipment	73
Equipment Tracking System	75
Equipment Tracking System	75
Examples of Equipment Tracking Systems	75
Equipment Tracking of Agency Owned/Operated Equipment	75
Internal Rates	75
Equipment Rate Book Rates	76
Equipment Usage Rates	76
Internal Rates (Equipment Owned by Public Agency)	76
Equipment Rate Books (Equipment Owned by Public Agency)	81
Rental or Lease Rates	84
Discussion of Example	84

Appendixes

Appendix A

Cost Principles for State, Local, and Indian Tribal Governments 2 CFR Part 225

Please refer to www.ecfr.gpoaccess.gov

Browse: Title –Grants and Agreements, Volume 1, Chapter, II, Part 225 93

Appendix B

Overhead Determination and Allocation Percentage of Direct Labor Costs Method

Identification, Rate Development and Allocation of Overhead	97
Unit Overhead	98
Cost Components	98
Tracking of Unit Overhead	98
Public Project Unit	99
Organizational Unit Performing Public Project Work	99
Rate Methodology	99
Public Project Unit	99
Organizational Unit Performing Public Project Work	99
Overhead Allocation	99
Government-Wide Overhead	102
Internally Developed Government-Wide Overhead Rates	102
Cost Components	102
Rate Development	102
Government-Wide Overhead Rate	102
Overhead Allocation	102

Appendix C

Commission Rulings

Commission Rulings	105
Monterey County Letter of 9/18/85	105
Accounting and Bidding Interpretations Move to FAQ's (delete here)	105
Overhead Rates	106
The California Schools Accounting Manual	107
Funding/Donations	107
Non-Compliant Participating Agency	107

Listing of Exhibits

II-1	Project Ledger Card for Main Street School Remodeling (replaced)	46
II-2	Project Ledger Card for Main Street School Remodeling with Estimate, Labor, Materials and Supplies and Equipment Posted <u>Excel template sample</u>	47
II-3	Estimate of Main Street School Remodeling	49
II-4	Project Ledger Card for Main Street School Remodeling with Estimate Posted	50
III-1	Public Project Unit Employee Weekly Time Report	56
III-2	Organizational Unit Which Performs Work on Public Project Unit - Employee Weekly Time Report	57
III-3	Productive Hourly Rate Calculation	59
III-4	Application of Overhead to a Productive Hourly Rate	61
III-5	Project Ledger Card for Main Street School Remodeling with Estimate and Labor Posted	63
IV-1	Project Ledger Card for Main Street School Remodeling with Estimate, Labor, Materials, Supplies and Subcontracts Posted	70
IV-2	Calculation of Handling/Carrying Overhead Rate	72
V-1	Equipment Weekly Timesheet for Main Street School Remodeling	77
V-2	Equipment Weekly Timesheet for Main Street School Remodeling	78
V-3	Equipment Depreciation Worksheet	80
V-4	Maintenance and Repair Equipment Ledger Card	82
V-5	Equipment Rate Development	83
V-6	Project Ledger Card for Main Street School Remodeling with Estimate, Labor, Materials, Supplies and Equipment Posted	85
VI-1	Public Agency Force Account Daily Extra Work Report – City Under 75,000	90
VI-2	Public Agency Force Account Project Cost Summary	91
B-1	Public Project Unit Overhead Rate Development	100
B-2	Organization Unit Performing Public Project Work - Overhead Rate Development	101

**Instructions for Adoption and Implementation
of the Uniform Construction Cost Accounting Procedures
by Local Agencies**

- (1) The Governing Board must elect by resolution to become subject to the uniform construction cost accounting procedures promulgated by the Controller pursuant to Public Contract Code Section 22019. The resolution shall specify that the local agency will meet the requirements prescribed in the California Uniform Public Construction Cost Accounting Commission's *Cost Accounting Policies and Procedures Manual* and state the effective date the agency will implement the accounting and bidding procedures.
- (2) The Local Agency must notify the Controller in writing of the election to become subject to the uniform construction cost accounting procedures. A copy of the resolution shall also be filed with the Controller. Send it to: Office of State Controller, Division of Accounting and Reporting, Local Government Policies Section, P.O. Box 942850, Sacramento, CA 94250.
- (3) When a local agency elects to become subject to the uniform construction cost accounting procedures, the entire entity is considered subject to the Act and no departments will be exempt. However, Special Districts, which are governed by a board of supervisors or city council, are subject only if a separate election is made.
- (4) An informal bidding ordinance or policy as required by the participating agency shall be enacted pursuant to Public Contract Code Section 22034. AGREED
- (5) Once opting into the Act, participating agencies must always adhere to the terms of the Act until such time the agency formally opts out by resolution of its governing board. Having opted in, selective adherence to the terms of the Act is a violation.
- (6) The governing board may discontinue the agency's participation under the uniform public construction cost accounting procedures by adopting a resolution stating this fact. A copy of the resolution shall be filed with the Controller.
- (7) The Controller shall notify the Commission of all local agencies electing to become subject to the uniform public construction cost accounting procedures. In addition, the Commission shall also be notified of local agencies electing to discontinue participation under these procedures.

SAMPLE ELECTION RESOLUTION - MODEL

*(This SAMPLE ELECTION RESOLUTION indicates election by a city council.
However, the sample format can be used by any public agency governing body.)*

RESOLUTION OF THE COUNCIL OF THE CITY OF _____
COUNTY OF _____, STATE OF CALIFORNIA IN THE MATTER OF:
UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES

Resolution No. _____

I, _____, City Clerk of the City of _____, County of _____, State of California, do hereby certify that the following resolution, proposed by Councilmember _____, and seconded by Councilmember _____, was duly passed and adopted by the Council of the City of _____ at a regular meeting thereof assembled this _____ day of _____, by the following vote, to wit:

AYES: Councilmember: _____
NOES: Councilmember: _____
ABSENT: Councilmember: _____



_____, City Clerk
City of _____

THE CITY COUNCIL OF THE CITY OF _____ DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, prior to the passage of Assembly Bill No. 1666, Chapter 1054, Statutes of 1983, which added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

WHEREAS, Public Contract Code Section 22000 et seq., the Uniform Public Construction Cost Accounting Act, establishes such a uniform cost accounting standard;

WHEREAS, the Commission established under the Act has developed uniform public construction cost accounting procedures for implementation by local public agencies in the performance of or in the contracting for construction of public projects; and

NOW, THEREFORE, the City Council of the City of _____, California, hereby elects under Public Contract Code Section 22030 to become subject to the uniform public construction cost accounting procedures set forth in the Act and to the Commission's policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended, and directs that the City Clerk notify the State Controller forthwith of this election.

This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this _____ day of _____, _____.

_____, Mayor

City of _____

ATTEST:

_____, City Clerk

City of _____

SAMPLE INFORMAL BIDDING ORDINANCE or POLICY (as stipulated by the participating agency)

*(This SAMPLE INFORMAL BIDDING ORDINANCE indicates action by a county board of supervisors.
However, the sample format can be modified for use by any public agency's governing body.)* **AGREED**

ORDINANCE NO. _____

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF _____
ADDING SECTION _____ TO THE ORDINANCE CODE OF THE COUNTY OF _____
TO PROVIDE INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION
COST ACCOUNTING ACT (Section 22000, et seq. of the Public Contract Code)

The Board of Supervisors of the County of _____ do ordains as follows:

SECTION 1

Section _____ is hereby added to the County Code of the County of _____ to provide as follows:

Section _____. Informal Bid Procedures. Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

Section _____. Contractors List. A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

Section _____. Notice Inviting Informal Bids. Where a public project is to be performed which is subject to the provisions of this Ordinance, a notice inviting informal bids ~~shall~~ may be faxed, e-mailed or mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section _____, and shall be sent by fax, email, or mail to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the department/agency soliciting bids, provided however: MUST WAIT FOR LEGISLATIVE CHANGE

(1) If there is no list of ~~registered/qualified~~ contractors maintained by the County for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission. **AGREED**

(2) If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

Section _____. Award of Contracts

The County Purchasing Agent and the Director of Public Works are each authorized to award informal contracts pursuant to this Section.

SECTION 2

This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of the members of the Board of Supervisors voting for and against the same in the _____, a newspaper of general circulation published in the County of _____.

PASSED, APPROVED and ADOPTED by the Board of Supervisors of the County of _____, State of California, this ____ day of _____, by the following vote:

AYES:
NOES:
ABSENT:

**PROCEDURE FOR ESTABLISHMENT AND MAINTENANCE
OF LIST OF ~~QUALIFIED~~ REGISTERED CONTRACTORS
PER SECTION 22034 OF THE PUBLIC CONTRACT CODE**

Section 22034 of the Public Contract Code specifies the requirements for mailing notices to contractors for work to be bid under the Act. As specified therein, an agency shall provide notices either a) by mailing notices to all construction trade journals specified in Section 22036, or b) by mailing notices to all contractors on the list established by the agency for the work being bid, or by both a) and b). In the event an agency elects to provide notice by mailing notices to all contractors on the list established by the agency for the work being bid, the agency shall utilize the following procedure to establish and maintain the list of ~~registered~~ ~~qualified~~ contractors outlined in Section 22034 a).

1. ~~1.4~~ During November each year, each Public Agency which has elected to become subject to the Uniform Public Construction Cost Accounting Act and intends to utilize the notice provisions outlined in section 22034 a) shall establish a new or update its existing list of ~~registered~~ ~~qualified~~ contractors by mailing a written notice to all construction trade journals designated for that Agency under Section 22036, inviting all licensed contractors to submit the name of their firm to the Agency for inclusion on the Agency's list of qualified bidders for the following calendar year. AGREED (CAVEAT: Actual changes to Section 22034 must go through legislative, however, this change can be made immediately
~~During November each year, each Public Agency which has elected to become subject to the Uniform Public Construction Cost Accounting Procedures shall mail a written notice to all construction trade journals designated for that Agency under Section 22036, inviting all licensed contractors to submit the name of their firm to the Agency for inclusion on the Agency's list of qualified bidders for the following calendar year.~~

2. The notice shall require that the contractor provide the name and address to which a Notice to Contractors or Proposal should be mailed, faxed, or emailed, a phone number at which the contractor may be reached, the type of work in which the contractor is interested and currently licensed to do (earthwork, pipelines, electrical, painting, general building, etc.) together with the class of contractor's license(s) held and contractor license number(s). Requires legislative change

3. The Public Agency may create a new contractors list starting January 1st of each year. The Agency may include any contractor names it so desires on the list, but the list must include, at a minimum, all contractors who have properly provided the Agency with the information required under #2 above, either during the calendar year in which the list is valid or during November or December of the previous year.

The Commission recommends that the Agency automatically include the names of all contractors who submitted one or more valid bids to the Agency during the preceding calendar year.

4. A contractor may have his firm added to an Agency's contractors list at any time by providing the required information.

**COUNTY-BY-COUNTY LIST OF CONSTRUCTION TRADE JOURNALS
WHICH SHALL RECEIVE WRITTEN NOTICE OF ALL INFORMAL
AND FORMAL CONSTRUCTION CONTRACTS BEING BID FOR WORK
(PER SECTION 22036 OF THE PUBLIC CONTRACT CODE)**

Per Public Contract Code section 22037, notices inviting formal bids must be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the public agency. In addition, the Commission has determined that all public agencies that adopt and contract under the Uniform Public Construction Cost Accounting Act shall be required to mail, e-mail, or fax, a notice to the following specified construction trade publications, of all formal construction contracts being bid and all invitations to join an agency's qualified-registered bidders list (i.e. the informal bidding list) within the specified county (as provided in sections 22034 and 22037 of the Public Contract Code). The numbers following the name of each county refer to the corresponding numbered publications on the List of Construction Trade Journals beginning on page 10. AGREED

Users will note that the notification of the trade journals listed in Column B for their county is required. Additionally, the user will have to notify at least two (2) of the trade journals listed in Column C, unless there is only one listed, in which case notification of that trade journal is sufficient. The list of construction trade journals beginning on page 10 is more extensive. The Commission urges each public agency to select additional publications from its geographical area and include them on its list of publications to be notified. Sample information to be included in the mailed notice to trade journals is listed on page 9.

Note: Users are not required to mail a notice to a trade journal if the trade journal listed under their county is now charging for its services, or is out of business. Instead, the Commission requests that users find some other method of notifying potential contractors of published jobs and how to be added to their informal bidding lists (e.g. Internet – County's web page.)

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>COUNTY NAME</u>	<u>TRADE JOURNALS REQUIRED TO BE NOTIFIED</u>	<u>NOTIFY TWO OF THE TRADE JOURNALS LISTED BELOW</u>
ALAMEDA	2, 3	9, 15, 16, 17, 18, 19, 20
ALPINE	2, 3	12
AMADOR	2, 3	12, 14, 21
BUTTE	2, 3	6, 7, 12, 13
CALAVERAS	2, 3	12, 20, 21
COLUSA	2, 3	6, 7
CONTRA COSTA	2, 3	9, 16, 17, 18, 20
DEL NORTE	2, 3	4, 5, 6
EL DORADO	2, 3	11, 12, 13, 14, 17
FRESNO	2, 3	20, 22, 26, 27, 28
GLENN	2, 3	6, 7, 13
HUMBOLDT	2, 3	4, 5, 6
IMPERIAL	2, 3	32, 35
INYO	2, 3	28
KERN	2, 3	22, 27, 28, 29
KINGS	2, 3	22, 26, 27, 28
LAKE	2, 3	5, 6, 8, 9, 17
LASSEN	2, 3	4, 6, 12, 13
LOS ANGELES	2, 3	32, 35, 47
MADERA	2, 3	20, 22, 26
MARIN	2, 3	8, 9
MARIPOSA	2, 3	22
MENDOCINO	2, 3	5, 8, 9, 17
MERCED	2, 3	20, 21, 22

LIST OF CONSTRUCTION TRADE JOURNALS

The following organizations have indicated to the Commission that they:

- a) Publish a newsletter or trade journal, on a weekly or more frequent basis, that contains a section listing projects being bid; or, provide a telephone notice service to their members.
- b) Do not charge for publishing or otherwise disseminating a Notice to Contractors.

These organizations have indicated to the Commission that they serve subscribers or members in the counties listed to the right of each organization.

Organizations that meet criteria (a) and (b) above may be added to the list, or changes or corrections can be made to the list by contacting:

Office of the State Controller
 Division of Accounting and Reporting
 Local Government Policies Section
 P. O. Box 942850
 Sacramento, CA 94250

	ORGANIZATION	AREAS OF MEMBERS OR SUBSCRIBERS BY COUNTY
1	Reed Construction Data Document Processing Center 30 Technology Parkway South, Suite 500 Norcross, GA 30092-2912 Phone: 800-876-4045 Fax: 800-303-8629	California
2	Construction Bidboard (eBidboard) Attn: James Moriarty -CEO 4420 Hotel Circle Court, Suite 21511622 El Camino Real San Diego, CA 9213098 Phone: 800-479-5314 Fax: 619-688-0585 e-mail: planroom@ebidboard.com	California <u>AGREED</u>
3	McGraw-Hill Construction Dodge (formerly F.W Dodge) 4300 Beltway Place, Suite #180 Arlington, TX 76018 Requests that all information, including plans and specifications for Dodge publications including the Daily Pacific Builder and GreenSheet, be directed to the closest local plan room to the project. (See 40-45)	California <u>AGREED</u>

ACCOUNTING PROCEDURES REVIEW

- I. Pursuant to the provisions of Public Contract Code Section 22042, the Commission has adopted the following procedures for conducting an Accounting Procedures Review, where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories:
- A. It is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.
 - B. It exceeded the force account limit.
 - C. It has been improperly classified as maintenance.
- II. As used in the Accounting Procedures Review, "interested party" shall mean: a licensed contractor eligible to bid on the public project involved in the review; a labor organization whose members would be eligible to perform work on the public project if it were performed by contract; an association of licensed contractors and/or labor organizations; or a taxpayer of the public agency cited in the account review request.
- III. If an inquiry comes to the SCO and/or a single Commissioner, and the assistance of the Commission is needed, the inquiry will be sent to the Chair of the Commission. The Chair will then appoint one or more Commissioners, not to constitute a quorum, from the public and private sectors to assist with responding to the inquiry in a timely manner. A summary of the inquiry and response will be forwarded to the SCO upon completion for incorporation into FAQs as appropriate. (as passed at last Commission meeting) AGREED
- IVH. Request for Accounting Procedures Review
- A. In those circumstances as set forth in section I(A) above, a request for Commission review shall be in writing, sent to the Commission by **certified or registered mail**, postmarked no later than five business days from the date the public agency has rejected all bids.
 - B. In those circumstances set forth in section I(B) or I(C), a request for Commission review shall be in writing, sent to the Commission by **certified or registered mail**, postmarked no later than ~~five-eight~~ business days from the date an interested party formally complains in writing to the public agency.
 - C. The address for purpose of notice herein is the: CALIFORNIA UNIFORM CONSTRUCTION COST ACCOUNTING COMMISSION, Office of the State Controller, Division of Accounting and Reporting, County Policy Section, P.O. Box 942850, Sacramento, CA 94250.
 - D. Such written notice shall include the following information:
 - 1. The name, address, phone number, and email of interested party as defined in (II) above, and person to be contacted presenting evidence. Legislative change
 - 2. An indication that work undertaken by the public agency falls within one of the following categories:
 - a. It is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.
 - b. It exceeded the force account limits.
 - c. It has been improperly classified as maintenance.
 - 3. The name, address, and phone number of the Public Agency involved.
 - 4. The project name, location, or other project identification number.
 - 5. The bid date and rejection date, if applicable.
 - 6. The low bid dollar amount, if applicable.

7. The agency estimate, if available.

**ACCOUNTING PROCEDURES REVIEW
(CONTINUED) AGREED**

8. Other documentation supporting the request. If the requestor is unable to obtain information from the participating agency, the request should so note that fact and include an explanation of the circumstances. The statutory limit to complete the account review begins as of the day the request is received by the State Controller's Office. Incomplete review requests may affect the ability of the Commission to render a timely decision.

E. At the time it transmits its request to the Commission for review, the interested party shall mail a copy of the request by first class mail, postage prepaid, to the public agency involved.

IV. The Commission shall approve and designate in writing the consultants available to investigate requests for accounting procedures review, if needed. Such consultants shall be prequalified as follows:

A. They shall submit resumes of experience to the Commission for prequalification.

B. Each applicant shall have at least five years of experience with, and be knowledgeable of, public works construction and/or accounting under contracts let by public agencies.

C. They shall submit their schedule of fees required to perform such service.

VI. Immediately upon receipt of a request for accounting procedures review, the Chairperson shall assign it to a working group consisting of two or more Commissioners. Each working group must have both private and public representation.

A. The working group may contact either the interested party or the signatory agency involved for additional information. They may also request a statement of the public agency's position with respect to the claim being set forth. Participating agencies are required to cooperate with any account reviews pursuant to this Act. Failing to cooperate fully, either through unwillingness or inability, may be found to be non-compliant.

B. If the work group deems it necessary, it may utilize the State Controller's Office audit division or a consultant deemed qualified for the purpose of this investigation. The auditor or consultant will conduct a thorough investigation of the facts surrounding the claim. This investigation may include any field work deemed necessary by the auditor or consultant. The auditor or consultant shall interview the public agency involved and submit as a part of the findings a complete statement of the public agency's position with respect to the review being conducted.

C. The auditor or consultant shall prepare written findings and a recommended decision within twenty (20) calendar days from the date the request for review was received by the Commission.

VII. The Commission shall review the findings of the work group and the report of the auditor or consultant, if utilized, and render its final decision within thirty (30) calendar days of the date on which the request was received by the Commission. A copy of the decision shall be mailed by first class mail, postage prepaid, to each Commission member, the interested party, and the public agency involved.

VIII. Decisions on accounting procedures reviews shall be collected and maintained at the offices of the Commission and shall be available for public inspection during regular working hours. Such decisions may be cited and relied upon by interested parties and public agencies in subsequent reviews.

IX. Pursuant to Public Contract Code Section 22044.5 (AB 2372 – Chapter 192 of the Statutes of 2006), if the Commission makes a finding(s) on three separate occasions within a 10-year period, the Commission shall notify the public agency of the finding in writing by certified mail and the public agency shall not use the bidding procedures provided by the Act. For the purposes of these review procedures, one investigation resulting in a finding(s) shall equate to one occasion. These review procedures are based on current statutory law.

X. Changes to statutory law shall be deemed to be automatically adopted into these procedures.

	powerplants, and electrical transmission lines of 230,000 volts and higher.
	(e) For purposes of this chapter, "facility" means any plant, building, structure, ground facility, utility system, subject to the limitation found in paragraph (3) of subdivision (c), real property, streets and highways, or other public work improvement.
22003 Public Agency Subject to Uniform Cost Accounting Procedures; Bidding Procedures	A public agency which has, by resolution, elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010), may utilize the bidding procedures set forth in Article 3 (commencing with Section 22030) when contracting for "maintenance work," as defined in Section 22002, or when contracting for any other work which does not fall within the definition of "public project," as defined in Section 22002.
Article 2. California Uniform Construction Cost Accounting Commission	
22010 Creation; Membership; Appointment	There is hereby created the California Uniform Construction Cost Accounting Commission. The commission is comprised of 14 members.
	(a) Thirteen of the members shall be appointed by the Controller as follows:
	(1) Two members who shall each have at least 10 years of experience with, or providing professional services to, a general contracting firm engaged, during that period, in public works construction in California.
	(2) Two members who shall each have at least 10 years of experience with, or providing professional services to, a firm or firms engaged, during that period, in subcontracting for public works construction in California.
	(3) Two members who shall each be a member in good standing of, or have provided professional services to, an organized labor union with at least 10 years of experience in public works construction in California.
	(4) Seven members who shall each be experienced in, and knowledgeable of, public works construction under contracts let by public agencies; two each representing cities, counties, respectively, and two representing school districts (one with an average daily attendance over 25,000 and one with an average daily attendance under 25,000); and one member representing a special district. At least one of the two county representatives shall be a county auditor or his or her designee. <u>Legislative change needed</u>
	(b) The member of the Contractors' State License Board who is a general engineering contractor as that term is defined in Section 7056 of the Business and Professions Code shall serve as an ex officio voting member.
22011 Appointment: Recommendations	The Controller, in an effort to select highly qualified commission members, shall solicit from organized representatives of the construction industry and public agencies recommendations for appointments to the commission.
22012 Members; Accounting Experience	At least one commission member of the seven representing the construction industry and at least one of the seven representing public agencies shall have previous accounting experience.
22013 Chairperson; Term	The commission members shall select a chairperson from among its membership. The chairperson shall serve as chair for a term of two years from the date of selection. In no event shall two consecutive chairpersons be appointees representing either the construction industry or public agencies.

	22014 Members; Terms; Vacancies	<p>(a) The members of the commission shall hold office for terms of three years, and thereafter until their successors are appointed, except as otherwise provided for in this section, or unless incapacitated and unable to serve due to death or disability.</p> <p>(b) In the case of members initially appointed by the Controller, two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1985; two representing the construction industry and two representing public agencies shall be appointed to serve until July 1, 1986; and three representing the construction industry and three representing public agencies shall be appointed to serve until July 1, 1987.</p> <p>(be) Members may be reappointed <u>by the Controller</u> for subsequent terms of three years.</p> <p><u>(c) The Controller may appoint a successor for any Commissioner after their initial three (3) year term expires.</u></p> <p><u>(d) The Controller shall, within one-hundred and twenty (120) 90 days after expiration of any term, appoint a replacement to fill the vacancy on the Commission. Legislative change</u></p>
	22015 Staff; Members' Compensation; Grants	<p>(a) The Controller shall make available for the conduct of the commission's business, such staff and other support as does not conflict with the accomplishment of the other business of the office of the Controller.</p> <p>(b) Each member of the commission shall serve without compensation, but shall be reimbursed for travel and other expenses necessarily incurred in the performance of the member's duties.</p> <p>(c) The commission may accept grants from federal, state, or local public agencies, or from private foundations or individuals, in order to assist it in carrying out its duties, functions, and powers under this chapter.</p>
	22016 Meetings	The commission shall meet not less than once each year, at a time and place chosen by its membership.
	22017 Duties	<p>The commission shall do all of the following:</p> <p>(a) After due deliberation and study, recommend for adoption by the Controller, uniform construction cost accounting procedures for implementation by public agencies in the performance of, or in contracting for, construction on public projects. The procedures shall, to the extent deemed feasible and practicable by the commission, incorporate, or be consistent with construction cost accounting procedures and reporting requirements utilized by state and federal agencies on public projects, and be uniformly applicable to all public agencies that elect to utilize the uniform procedures.</p> <p>As part of its deliberations and review, the commission shall take into consideration relevant provisions of <u>Office of Management and Budget Circular A-76, as periodically revised. Legislative change</u></p> <p>(b) After due deliberation and study, recommend for adoption by the Controller cost accounting procedures designed especially for implementation by California cities with a population of less than 75,000. The procedures shall incorporate cost accounting and reporting requirements deemed practicable and applicable to all</p>

cities under 75,000 population which elect to utilize the uniform procedures. For the purposes of these cost accounting procedures, the following shall apply:

(1) Cities with a population of less than 75,000 shall assume an overhead rate equal to 20 percent of the total costs of a public project, including the costs of material, equipment, and labor.

(2) Cities with a population of more than 75,000 may either calculate an actual overhead rate or assume an overhead rate equal to 30 percent of the total costs of a public project, including the costs of material, equipment, and labor.

(c) Recommend for adoption by the Controller, procedures and standards for the periodic evaluation and adjustment, as necessary, of the monetary limits specified in Section 22032.

(d) The commission shall make an annual report to the Legislature with respect to its activities and operations, together with those recommendations as it deems necessary.

22018 Recommended Procedure; Controller's Review The Controller shall, upon receipt of the commission's recommendations, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission by the commission.

22019 Adoption; Promulgation of Uniform Procedure Upon determining that the recommended uniform construction cost accounting procedures will serve the best interests of the state and public agencies, and upon formal adoption by the Controller, the Controller shall promulgate the uniform procedure for all public agencies electing to participate, together with instructions for their adoption and implementation by any public agency.

22020 Five Year Consideration; Material Changes; Adjustments In accordance with procedures and standards adopted pursuant to Section 22017, every five years the commission shall consider whether there have been material changes in public construction costs and make recommendations to the Controller regarding adjustments in the monetary limits prescribed by Section 22032, but in no case shall the amount, as adjusted, be less than fifteen thousand dollars (\$15,000). Any adjustment shall be effective beginning with the fiscal year that commences not less than 60 days following the Controller's notification to all public agencies of the adjustment. That notification shall also describe the provisions of this chapter and the benefits of using its provisions.

Article 3. Public Projects: Alternative Procedure

22030 Application of Article This article applies only to a public agency whose governing board has by resolution elected to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with Section 22010) and which has notified the Controller of that election. In the event of a conflict with any other provision of law relative to bidding procedures, this article shall apply to any public agency which has adopted a resolution and so notified the Controller.

22031 Alternative Procedures ~~Nothing in this article shall prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1.~~

(a) Prior to January 1, 2013, this article shall not prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1.

(b) On or after January 1, 2013, this article shall not prohibit a board of supervisors

	<p>or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1 for both of the following:</p> <p>(1) Maintenance and emergency work.</p> <p>(2) New road construction and road reconstruction as long as the total annual value of the new road construction and the road reconstruction performed under the procedures set forth in subdivision (c) of Section 20395 does not exceed 30 percent of the total value of all work performed by force account other than maintenance as reported in the Controller's Streets and Roads Annual Report as of January 1 of each year.</p> <p>(c) On or after January 1, 2013, for a county with a population of less than 50,000, this article shall not prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1.</p> <p>(d) The requirements set forth in Section 22038 shall apply to any county subject to this section.</p> <p>(e) Any county board of supervisors or county road commissioner acting pursuant to the authority granted in paragraph (2) of subdivision (b) shall declare its intention to use this authority prior to commencing work.</p> <p><u>Just a manual change to conform to existing law.</u></p>
22032 Contracting Procedures; Dollar Amount Limitations	<p>(a) Public projects of forty-five thousand dollars (\$45,000) or less may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.</p> <p>(b) Public projects of one hundred seventy-five thousand dollars (\$175,000) or less may be let to contract by informal procedures as set forth in this article.</p> <p>(c) Public projects of more than one hundred seventy-five thousand dollars (\$175,000) shall, except as otherwise provided in this article, be let to contract by formal bidding procedure.</p> <p><i>76 Op. Atty. Gen. 126,7-14-93 = Job order contracts - General law county or general law city may not enter into a "job order contract" in excess of \$50,000 for the performance of public projects involving minor construction, and the renovation, alteration, painting, and repair of existing facilities, except under narrowly defined statutory conditions applicable only to counties.</i></p>
22033 Separation of Work Orders or Projects; Evasion of Provisions of Article	<p>It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding.</p>
22034 Informal Bidding Ordinance	<p>Each public agency which elects to become subject to the uniform construction accounting procedures set forth in Article 2 (commencing with Section 22010) shall enact an informal bidding ordinance to govern the selection of contractors to perform public projects pursuant to subdivision (b) of Section 22032. The ordinance shall include all of the following: <u>Legislative change</u></p> <p><u>(a) Notice to contractors shall be provided in accordance with either subsection (1), subsection (2), or both.</u></p> <p><u>(1) The public agency may elect to establish and maintain a list of registered qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission. All contractors on the list for the category of work being bid shall be e-mailed, faxed or mailed a notice inviting informal bids unless the product or</u></p>

service is proprietary. All mailing of notices to contractors pursuant to this subdivision shall be completed not less than 10 calendar days before bids are due.

(2) The public agency may elect to e-mail, fax or mail a notice inviting informal bids to all construction trade journals specified in Section 22036.

(b) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.

(c) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person.

(d) If all bids received are in excess of one hundred seventy-five thousand dollars (\$175,000), the governing body of the public agency may, by adoption of a resolution by a four-fifths vote, award the contract, at one hundred eighty-seven thousand five hundred dollars (\$187,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

(a) The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission.

(b) All contractors on the list for the category of work being bid or all construction trade journals specified in Section 22036, or both all contractors on the list for the category of work being bid and all construction trade journals specified in Section 22036, shall be mailed a notice inviting informal bids unless the product or service is proprietary.

(c) All mailing of notices to contractors and construction trade journals pursuant to subdivision (b) shall be completed not less than 10 calendar days before bids are due.

(d) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.

(e) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person.

(f) If all bids received are in excess of one hundred seventy five thousand dollars (\$175,000), the governing body of the public agency may, by adoption of a resolution by a four fifths vote, award the contract, at one hundred eighty seven thousand five hundred dollars (\$187,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

22035 Emergencies

(a) In cases of emergency when repair or replacements are necessary, the governing body may proceed at once to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts. The work may be done by day labor under the direction of the governing body, by contractor, or by a combination of the two.

(b) In case of an emergency, if notice for bids to let contracts will not be given, the public agency shall comply with Chapter 2.5 (commencing with Section 22050).

22035.5 Overcrowded Justice Facilities; Court Ordered

In counties that are under court order to relieve justice facility overcrowding, the procedures and restrictions specified in Section 20134 shall apply to all contracts

Relief; Application of Section 22034	issued under this chapter.
22036 Determination of Construction Trade Journals to Receive Notice of Informal and Formal Construction Contracts	The commission shall determine, on a county-by-county basis, the appropriate construction trade journals which shall receive mailed, <u>e-mailed or faxed</u> notice of all informal and formal construction contracts being bid for work within the specified county. <u>Legislative change</u>
22037 Notice Inviting Formal Bids; Information: Publication	Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project. The notice shall be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the public agency; or, if there is no newspaper printed and published within the jurisdiction of the public agency, in a newspaper of general circulation which is circulated within the jurisdiction of the public agency, or, if there is no newspaper which is circulated within the jurisdiction of the public agency, publication shall be by posting the notice in at least three places within the jurisdiction of the public agency as have been designated by ordinance or regulation of the public agency as places for the posting of its notices. The notice inviting formal bids shall also be mailed to all construction trade journals specified in Section 22036. The notice shall be mailed, <u>faxed, or emailed</u> at least 15 calendar days before the date of opening the bids. In addition to notice required by this section, the public agency may give such other notice as it deems proper. <u>Legislative change</u>
22038 Rejection of Bids; Failure to Receive Bids; Options	<p>(a) In its discretion, the public agency may reject any bids presented, if the agency, prior to rejecting all bids and declaring that the project can be more economically performed by employees of the agency, furnishes a written notice to an apparent low bidder. The notice shall inform the bidder of the agency's intention to reject the bid and shall be mailed at least two business days prior to the hearing at which the agency intends to reject the bid. If after the first invitation for bids all bids are rejected, after reevaluating its cost estimates of the project, the public agency shall have the option of either of the following:</p> <p>(1) Abandoning the project or re-advertising for bids in the manner described by this article.</p> <p>(2) By passage of a resolution by a four-fifths vote of its governing body declaring that the project can be performed more economically by the employees of the public agency, may have the project done by force account without further complying with this article.</p> <p>(b) If a contract is awarded, it shall be awarded to the lowest responsible bidder. If two or more bids are the same and the lowest, the public agency may accept the one it chooses.</p> <p>(c) If no bids are received through the formal or informal procedure, the project may be performed by the employees of the public agency by force account, or negotiated contract without further complying with this article.</p>
22039 Adoption of Plans, Specifications, and Working Details	<u>The governing body of the public-participating agency or its designated representative(s) shall adopt plans, specifications, and working details for all public projects exceeding the amount specified in subdivision (c) of Section 22032. Legislative change</u>
22040 Plans, Specifications of Working Details; Examination	Any person may examine the plans, specifications, or working details, or all of these, adopted by the public agency for any project.

22041 Exemptions	<p>This article does not apply to the construction of any public building used for facilities of juvenile forestry camps or juvenile homes, ranches, or camps established under Article 15 (commencing with Section 880) of Chapter 2 of Part 1 of Division 2 of the Welfare and Institutions Code, if a major portion of the construction work is to be performed by wards of the juvenile court assigned to those camps, ranches, or homes.</p>
22042 Accounting Procedures Review	<p>The commission shall review the accounting procedures of any participating public agency where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories:</p> <p>(a) Is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.</p> <p>(b) Exceeded the force account limits.</p> <p>(c) Has been improperly classified as maintenance.</p>
22043 Work Done by Public Agency; Commission Review; Request	<p>In those circumstances as set forth in subdivision (a) of Section 22042, a request for commission review shall be in writing, sent by certified or registered mail received by the commission postmarked not later than five business days from the date the public agency has rejected all bids. In those circumstances set forth in subdivision (b) or (c) of Section 22042, a request for commission review shall be by letter received by the commission not later than five days from the date an interested party formally complains to the public agency. The commission review shall commence immediately and conclude <u>within 9030</u> days from the receipt of the request for commission review. During the review of a project that falls within subdivision (a) of Section 22042, the agency shall not proceed on the project until a final decision is received by the commission. <u>Legislative change</u></p>
22044 Written Findings; Failure to Comply with Chapter; Action	<p>The commission shall prepare written findings <u>and said findings shall be presented to the public agency within thirty (30) business days of formal commission review.</u> Should the commission find that the provisions of this chapter or of the uniform cost accounting procedures provided for in this chapter were not complied with by the public agency, the following steps shall be implemented by that agency: <u>Legislative change</u></p> <p>(a) On those projects set forth in subdivision (a) of Section 22042, the public agency has the option of either (1) abandoning the project, or (2) awarding the project to the lowest responsible bidder.</p> <p>(b) <u>On those projects set forth in subdivision (b) or (c) of Section 22042, the public agency shall immediately present the commission's findings to its governing body within thirty (30) calendar days of receipt of written notice of the findings and that governing body shall conduct a public hearing with regard to the commission's finding within sixty (60)30 calendar days of receipt of the findings by the public agency. Legislative change</u></p>
22044.5 Compliance: Removal from Act	<p>If the commission makes a finding, in accordance with Section 22043, on three separate occasions within a 10-year period, that the work undertaken by a public agency falls within any of the categories described in Section 22042, the commission shall notify the public agency of that finding in writing by certified mail and the public agency shall not use the bidding procedures provided by this</p>

	article for five years from the date of the commission's findings.
22045 Implementation of Procedures Review: Commission Recommendations	<p>(a) No later than January 1, 1985, the commission shall recommend, for adoption by the Controller, written procedures implementing the accounting procedures review provided for in this article.</p> <p>(b) The Controller shall, upon receipt of the commission's recommendation, review and evaluate the recommended procedures and either formally adopt or reject the recommended procedures within 90 days of submission of the commission.</p>
<u>22046 – Registration Fee</u>	<p>(a) The Commission shall establish an annual registration fee necessary to implement Section 22040 which shall not exceed ONE HUNDRED DOLLARS (\$100.00) per public agency subject to the Act no later than November 1st of the year prior. Notwithstanding fees collected are continuously appropriated in an amount sufficient to administer this section and that amount may be expended by the State Controller for these purposes.</p> <p>(b) Each public agency that elects to become subject to the procedures set forth in Article 2 (commencing with Section 22010) shall submit to the State Controller by January 31st of each year the required registration fee.</p> <p>(c) The State Controller shall deposit all registration fees received in the "Uniform Public Construction Cost Accounting Act Fund."</p> <p>(d) Any public agency that does not pay the registration fee by March 31st of each year shall not use the bidding procedures provided by the Act until said public agency pays the required registration fee for that year.</p>
<u>22047 – Billing Process</u>	<p>(a) On or before January 1st of each year the State Controller shall send an invoice for the annual registration fee to all public agencies that have, by resolution, elected to become subject to the procedures set forth in Article 2 of the Act (commencing with Section 22010).</p>
<u>22048 – Use of Annual Registration Fees</u>	<p>(a) The "Uniform Public Construction Cost Accounting Act Fund" is established as a special account in the State Treasury. Proceeds of the fund may be expended by the State Controller for the following functions of the Commission and shall not be used for any other purpose:</p> <ol style="list-style-type: none"> 1) The costs of audits of public agency accounting procedures pursuant to Section 22042. 2) Reimbursement of Commissioner travel, outreach and other expenses necessarily incurred in the direct performance of a Commissioner's duties. 3) Actual costs incurred by the State Controller to administer the "Uniform Public Construction Cost Accounting Act Fund" including processing receipts of monetary donations, fees, and/or contributions to the Commission. <p>(b) The "Uniform Public Construction Cost Accounting Act Fund" shall consist of the fees collected pursuant to Section 22046 and 22047 and any monetary donations, fees and/or contributions to the Commission.</p>

CHAPTER 2.5. EMERGENCY CONTRACTION PROCEDURES

22050 Contracts Without Bids; Procedures	<p>(a) (1) In the case of an emergency, a public agency, pursuant to a four-fifths vote of its governing body, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.</p> <p>(2) Before a governing body takes any action pursuant to paragraph (1), it shall</p>
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make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that the action is necessary to respond to the emergency.

(b) (1) The governing body, by a four-fifths vote, may delegate, by resolution or ordinance, to the appropriate county administrative officer, city manager, chief engineer, or other nonelected agency officer, the authority to order any action pursuant to paragraph (1) of subdivision (a).

(2) If the public agency has no county administrative officer, city manager, chief engineer, or other nonelected agency officer, the governing body, by a four-fifths vote, may delegate to an elected officer the authority to order any action specified in paragraph (1) of subdivision (a).

(3) If a person with authority delegated pursuant to paragraph (1) or (2) orders any action specified in paragraph (1) of subdivision (a), that person shall report to the governing body, at its next meeting required pursuant to this section, the reasons justifying why the emergency will not permit a delay resulting from a competitive solicitation for bids and why the action is necessary to respond to the emergency.

(c) (1) If the governing body orders any action specified in subdivision (a), the governing body shall review the emergency action at its next regularly scheduled meeting and, except as specified below, at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action. If the governing body meets weekly, it may review the emergency action in accordance with this paragraph every 14 days.

(2) If a person with authority delegated pursuant to subdivision (b) orders any action specified in paragraph (1) of subdivision (a), the governing body shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur at a minimum not later than 14 days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless a person with authority delegated pursuant to subdivision (b) has terminated that action prior to the governing body reviewing the emergency action and making a determination pursuant to this subdivision. If the governing body meets weekly, it may, after the initial review, review the emergency action in accordance with this paragraph every 14 days.

Legislative change

(3) When the governing body reviews the emergency action pursuant to paragraph (1) or (2), it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

(d) As used in this section, "public agency" has the same meaning as defined in Section 22002.

(e) A three-member governing body may take actions pursuant to subdivision (a), (b), or (c) by a two-thirds vote.

(f) This section applies only to emergency action taken pursuant to Sections 20133, 20134, 20168, 20193, 20205.1, 20213, 20223, 20233, 20253, 20273, 20283, 20293, 20303, 20313, 20331, 20567, 20586, 20604, 20635, 20645, 20685, 20736, 20751.1, 20806, 20812, 20914, 20918, 20926, 20931, 20941, 20961, 20991, 21020.2, 21024, 21031, 21043, 21061, 21072, 21081, 21091, 21101, 21111, 21121, 21131, 21141, 21151, 21161, 21171, 21181, 21191, 21196, 21203, 21212, 21221, 21231, 21241, 21251, 21261, 21271, 21290, 21311, 21321, 21331, 21341, 21351, 21361, 21371,

The California Uniform Construction Cost Accounting Commission (CUCCAC) is responsible for the review and development of uniform public construction cost accounting policies and procedures to be followed by public agencies electing to participate in the program. This section of the manual discusses the basic philosophy and intent of the Commission in developing these cost accounting policies and procedures, the range of public construction projects that may be undertaken by a public agency that would utilize the cost accounting policies and procedures, and the support systems deemed necessary to comply with this program.

A. CUCCAC PHILOSOPHY

The policies and procedures, as dictated by the law, shall, to the extent deemed feasible and practicable, incorporate or be consistent with construction cost accounting guidelines and standards and reporting requirements utilized by state and federal agencies on public projects and be uniformly applicable to all public agencies which elect to utilize the policies and procedures. The Commission recognizes the wide divergence in the size, capabilities and scope of operations of various public agencies operating under this legislation. Therefore, in developing this manual the Commission wishes to present policies and procedures that are reasonable and do not demand extensive tracking of detail. The Commission feels that all cost elements -- personnel, materials, supplies and subcontracts, equipment and overhead -- associated with a project must be recorded and reported at the project level. Each of the cost elements is to be expressed in the initial bid/estimate process, captured and recorded during the construction period and compared to the initial estimate at the conclusion of the public project. This shall require the existence of a project tracking system, as discussed later in this section. The Commission refrains from dictating a specific system but requires a system to estimate for bidding purposes, and to capture the actual costs in a manner consistent with the bid estimate. In this manner, the policies and procedures are results-oriented. The Commission has determined that the Standardized Account Code Structures (SACS), California Schools Accounting Manual meets the requirements of the Act. AGREED

B. APPLICABLE PROJECTS

In keeping with the Commission's objective of providing cost accounting policies and procedures that are specific in concept yet broad enough to encompass all public agencies regardless of size and scope of services, these policies and procedures should enable the public agencies to track all applicable construction-oriented public projects.

While allowing for the divergence of activities performed, these policies and procedures should parallel construction cost accounting practices as much as possible to allow for a comparability of private and public estimates and actual costs incurred in constructing public projects.

C. DEFINITIONS

The definitions listed below will assist users of this manual in interpreting and understanding the policies and procedures as stated in this manual. It is important to note that these definitions pertain only to the contents of this manual.

Cost Finding

Cost finding is a less formal method than project accounting of cost determination or estimation on an irregular basis. There may be no formal accounting entries during the year to record costs incurred in specific cost accounts. Instead, cost finding usually involves taking available fund financial accounting data and recording it and adjusting it to devise the cost data or estimate needed. This approach will be used in selected instances as defined in this manual.

Direct Costs

Direct costs represent economic resources that can be specifically identified with a particular construction activity or function. To the extent possible, such costs should be charged directly to the project for purposes of cost determination rather than being subjected to allocation procedures.

End Cost-Objective Object Cost

~~An end cost objective is~~ An end cost objective is ~~a~~ cost center or activity (account code assigned to a department or project) established for the accumulation of the direct and indirect cost to arrive at a total cost of performing government services. ~~All~~

~~the costs should be considered to indirectly support the performance of these services.~~ AGREED
Equipment Usage Tracking System

An equipment usage tracking system allows for the identification, recording, accumulation and reporting of usage of a specific piece of equipment or type of equipment and the unit of usage, e.g., hours, days, mileage, to a particular activity.

Force Account

A force account accurate for work performed on public projects using internal resources, including but not limited to labor, equipment, materials, supplies, and subcontracts of the public agency.

Government-Wide Overhead

Government-wide overhead is defined to include all costs of a public agency not associated with organizational units performing services which support all end cost objectives of the government entity.

Materials, Supplies, and Subcontracts Tracking System

A materials, supplies, and subcontracts tracking system allows for the identification, recording, accumulation, and reporting of materials, supplies, and subcontracts used on a particular activity.

Materiality

It is the Commission's position that, if the value of those goods obtained from inventory is material, the cost must be recorded to the public project code as a direct cost item. Materiality is defined for purposes of this manual to be any item that has a unit or aggregate value of \$25 or more.

Overhead Costs

Overhead costs represent economic resources that are employed for common or joint purposes benefiting several projects or functions. As such, overhead costs are not as readily chargeable to individual projects and, therefore, generally require allocation based upon statistical relationships.

Personnel Tracking System

A personnel tracking system allows for the identification, recording, accumulation, and reporting of personnel working on a particular activity.

Project Accounting

Project accounting is the continuous process of analyzing, classifying, recording, and summarizing cost data within the confines and controls of a formal project accounting system and reporting them to users on a regular basis.

Project Tracking System

A project tracking system allows for the identification and establishment of cost (account) codes to particular activities. The system would be used to record, accumulate, and report personnel costs; equipment costs; material, supplies, and subcontracts costs; and allocated overhead to activities identified. AGREED

Public Project Unit

A public project unit (e.g. public works department) is an identifiable organizational unit of any size within a public agency whose primary goals include the undertaking and completion of public projects as defined in PCC 22002. The Commission would, in general, consider a unit to be a public project unit when over 25% of the total unit's annual budget is expended on public projects. It is more common to have these organizational units in the larger public agencies - urban counties, cities, and school districts. AGREED

Subcontract

A subcontract provides for the use of an outside contractor with specialized skills and/or equipment needed to complete an element of work on the public project.

Unit Overhead

Unit overhead is defined as all costs incurred by an organizational unit, such as a public project unit, department, division or section, that are not directly attributable to any end cost objective, whether it be a public project or not. These costs include personnel costs, materials, supplies and subcontracts, and equipment costs not directly attributable to any end cost objective.

Work Order

A work order is written authorization for the performance of a particular project. It contains a description and location of the project and specifications for the work to be performed. Work orders are assigned an identification code and are used to record all costs both direct and indirect incurred in completing the project.

D. PUBLIC AGENCY ORGANIZATION STRUCTURE

In general, public agencies will contract out design-and-build and heavy construction projects and perform only general building projects and specialty construction projects with internal resources. Frequently, this decision to undertake general building and specialty construction projects is made based on the agency's organization structure, current workload requirements, and available staffing resources.

Often, in large organizations, due to the ongoing workload, there are organizational units whose stated objective is to undertake and complete on an as-needed basis general building and specialty construction projects. These organizational units are project-oriented. Their end cost objectives primarily consists of the performance of public projects. Costs specifically incurred in connection with individual end cost objectives are considered to be direct costs. Costs not specifically incurred to support individual and cost objectives are considered to be overhead costs associated with the organizational units taken as a whole. To recognize all the costs associated with an end cost objective, these overhead costs must be allocated back to this end cost objectives. Examples of end cost objectives include public projects, such as the construction of a warehouse, renovation of a lunch room, or street reconstruction and resurfacing over 1 inch. Smaller public agencies, which comprise the majority of public agencies in the state, usually do not have organizational units whose annual budgets represent more than 25% of public project work. Frequently, these employees perform general maintenance duties in addition to working on public projects. The public project costs incurred by these employees are more difficult to identify yet equally important. The cost accounting standards discussed in Sections III, IV, V and VI have provided the needed flexibility to properly address the unique organizational structures of the varied participating public agencies.

E. CLASSIFICATION OF COSTS

It is the stated objective of the law and CUCCAC to have public agencies estimate the cost of public projects and then track these project costs in a manner similar to private industry. Essential to achieving this objective is the understanding and agreement by both parties as to the components of costs that are included in public projects.

The major classification of cost components for construction projects includes: direct, indirect, and overhead costs.

1. Direct Costs

Direct costs include costs that can be specifically identified with a construction job and/or with a unit of production within a job.

Direct costs generally include these categories of costs: labor, bonds, permits, licensing fees (if any) equipment, permanent materials and supplies, subcontracts, nonpermanent materials and supplies, ~~and miscellaneous costs~~. Components of each of these direct project cost categories are shown below and include costs applicable to the construction industry. AGREED

a. Labor

Hourly Pay/Salary
Payroll Taxes (Employer Contribution)
Workers' Compensation Insurance (Allocation of Self Insurance)
Group Health Insurance
Group Life Insurance
Retirement Plan (Employer Contribution)
Holiday Leave
Vacation
Sick Leave
Unassigned Time
Disability Insurance
Unemployment Insurance
Military Leave
Jury Duty Leave
Management Leave/Compensatory Leave
Uniform/Uniform Allowance
Tuition Reimbursement
Union Time Off
Time Off for Illness or Death of Family Member
Personal Liability Insurance
Administration/Employer Contribution of Deferred Compensation Program/401K
Overtime Premium

b. Equipment

(1) Internal Equipment Rate

Depreciation
Insurance (Allocation of Self Insurance)
Initial Assembling and Dismantling Costs
Maintenance Costs
Repair Costs
Provision for Major Overhauls
Unassigned Time
Maintenance and Storage Yard Facilities Costs
Fuel and Oil
Tires and Grease

Or

Use Caltrans Equipment Rental Rates and Labor Surcharge Book
(<http://www.dot.ca.gov/hq/construc/equipment.html>) AGREED

(2) External Rate (Leased or Rented from Commercial Dealer) which includes, if charged by the Lessor or are the responsibility of the agency, the following costs: AGREED

Rental Rate
Maintenance Costs
Assembling and Dismantling Costs
Insurance Costs
Fuel and Oil
Tires and Grease

c. Permanent Materials and Supplies

(1) Cost of Permanent Materials and Supplies - Charged Directly to Job

Permanent Materials and Supplies Cost
Sales/Use Tax
Freight
Discounts Taken

(2) Cost of Permanent Materials and Supplies - Inventory

~~Substantiated by most recent Invoice~~ ~~Inventory Cost (LIFO, FIFO, Average)~~ |
Handling
Warehouse and Transportation Costs
~~Spoilage, Loss and Theft~~ AGREED |

d. Subcontracts

Payments Made to Subcontractors

e. Nonpermanent Materials and Supplies/Miscellaneous Costs

Nonpermanent Materials and Supplies/Miscellaneous Costs
Permits
Fees
Performance Bonds
Licenses
~~Miscellaneous Costs~~ AGREED |

2. Indirect Costs

Indirect costs can be identified with a project but not with a specific job or unit of production within the project.

Indirect costs generally include two categories of costs: labor and other miscellaneous project site expenses. Components of each of these indirect cost categories are shown below.

a. Labor

Quality Control and Inspection
Field Supervisors
Security Guards
Superintendent
Job Secretary

b. Other Project Expenses

Mobilization, Assembly, Move-Out Costs
Yarding and Hauling
Trailer
Utilities
Telephone
Warehouse Costs
Spoilage, Loss and Theft
Other Costs

3. Overhead Costs

a) Simplified Overhead Rate

Prior to January 1, 2004, the Commission allowed all agencies to use a 20% overhead rate

applied to all direct costs in lieu of calculating their overhead rates. Amendments to PCC Section 22017 in Senate Bill 66 (Chapter 297, Statutes of 2003) provides that cities with a population of less than 75,000 can assume the 20% rate. Cities with a population of 75,000 or over can either assume a 30% overhead rate or calculate an actual overhead rate.

b) Calculated Overhead Rate

The Commission determined that counties, special districts, and school districts can use a 30% rate or calculate an actual overhead rate, which is the same rule that applies to cities with a population of over 75,000.

Agencies may elect to calculate their overhead rates by one of the three following methods:

- 1) Appendix A describes the federal government's method of calculating overhead (2 CFR Part 225).
- 2) Appendix B describes a method of calculating overhead by allocating overhead costs as a percentage of direct labor costs.
- 3) Any method of calculating overhead is satisfactory with the Commission, provided that acceptable accounting procedures are used and all administrative costs are included.

Overhead costs should be applied on total project costs, including costs of material, equipment, and labor.

Overhead costs cannot be identified with or charged to jobs or units of production unless some more or less arbitrary allocation basis is used.

Components of overhead are shown below and include costs applicable to the construction industry, public agencies or both, e.g., public agencies do not have to pay surety bond premiums as does the construction industry to perform construction work, but both have costs incurred due to the processing of payroll.

- Payroll
- Personnel
- Purchasing/Procurement
- Bid/Estimate Expense
- Advertising Expense
- Legal Costs
- General Government
- General Accounting/Finance
- Departmental Accounting/Finance
- Facilities
- Data Processing
- Top Management
- Management Expenses

Typically public agencies recognize only two classifications of costs: direct and overhead.

It is important to note that this does not suggest that public agencies exclude indirect costs but rather that they classify a majority of them as direct costs. For example, in the construction industry a foreman supervising employees working at the job site would have his personnel costs pooled and allocated to a job or unit of production. In a public agency, the foreman's labor cost would be charged directly to the appropriate public projects.

Regardless of the differences in how the various costs are classified, both the construction industry and public agencies recognize that the significant cost elements of any construction project include:

- Personnel
- Materials, Supplies and Subcontracts

Equipment
Overhead

F. PROJECT IDENTIFICATION

Public projects, as defined in Section I, shall be identified and given specific project codes. These codes are generally referred to as project or work order numbers. These codes shall enable the public agency to segregate the cost elements discussed above, thereby allowing for the proper estimation, tracking, and comparison of estimated vs. actual cost elements incurred at the completion of a public project.

G. PROJECT TRACKING

The public agency shall have a manual or automated system that records, accumulates, and periodically reports the cost elements - personnel; materials, supplies and subcontracts; equipment; and overhead - incurred in completing all public projects. The public agency shall be required to account for the costs of the public project in a manner consistent with the way in which the project was bid/estimated. An audit trail of the accumulation of these cost elements shall be maintained. Source documents shall be retained identifying costs incurred on the project. These documents may include timesheets, equipment tracking records, requisitions of materials and supplies used at the project site, and the documentation of the development of overhead rates. The project tracking system does not have to be a part of the public agency's fiscal system but should capture the major cost elements and comply with the other requirements stated in this manual. This may require the agency to establish a project tracking system or alter an existing cost accounting system.

1. Examples of Project Tracking Systems

Project tracking refers to the management of projects which includes but is not limited to measuring and reporting the status of milestones, tasks and activities required in achieving the pre-defined project results. Project Tracking can also refer to Project Management software which automates the tracking of tasks, assignments, event and activities related to the projects systems range widely in terms of the complexity of establishing and maintaining these systems. AGREED

Most counties and larger school districts, cities, and special districts have established automated cost accounting systems that can track all identified public projects. Other project tracking systems include work order systems and project ledger card system.

Work orders are written authorizations for the performance of a particular project. They contain a description and location of the project and the specifications for the work to be performed. These authorizations, used extensively by public agencies, are assigned an identification code and are used to accumulate and report labor, materials and supplies, and other costs associated with the project. Work orders can be used to cost public project work, as well as maintenance work and other types of end cost objective work.

A project ledger card system establishes a single ledger card to be used in recording, in summary, all cost elements associated with a particular public project. This type of project tracking system (project ledger card) will be used in examples throughout this manual.

2. Discussion of Example

As shown in Exhibit II-1, a sample project ledger card has been established by the school district's accounting area to estimate record the costs of remodeling the Main Street School. This sample can be used for estimating a project. The following data elements are included on the ledger card to establish the public project: AGREED

Project Code
Start Date

A completed project ledger card is shown in Exhibit II-12 may be used for estimating, accounting and final cost reporting. as an example of what information a project tracking system should contain upon completion of a project. This manual shows in detail how the postings through January 31, 2003, were recorded. From the last posting made in January a monthly total for job-to-date costs was calculated; subsequent labor and equipment posted, and the job closed. This completed example is for illustrative purposes only and to provide an overview of the sections to follow, and should not be considered a required format for public agencies operating under this program. An Excel spreadsheet spreadsheet, as a template is available online at <http://www.sco.ca.gov/ard/cuccac.html>. AGREED

07/12 California State Controller 42

EXHIBIT II-2							
Project Ledger Card for Main Street School Remodeling With Estimated, Labor, Materials and Supplies and Equipment Posted							
Project Code: #3359			Project Name: Main Street School Remodeling				
Start Date: 1/7/2003	End Date: 2/28/2003		Foreman: Sanders				
Description	Date	Reference	Labor & Overhead	Materials, Supplies & Subcontracts	Equipment	Total Cost	Total Estimate
Cost Estimate	1/2/2003	EB	3,243	2,533	180		5,956
Labor	1/31/2003	PR	652			652	
Carpeting	1/31/2003	Inv #1		900		900	
Painting Subcontract	1/31/2003	Inv #2		1,500		1,500	
Drywall	1/31/2003	R #1		200		200	
Warehouse Charge	1/31/2003	16.6%		33		33	
Equipment	1/31/2003	FB-3			39	39	
Equipment	1/31/2003	TSI			102	102	
Job to Date	1/31/2003		652	2,633	141	3,426	
Labor	2/7/2003	PR	2,799			2,799	
Equipment	2/7/2003	FB-3			39	39	
Equipment	2/7/2003	TSI			102	102	
Job to Date	2/28/2003		3,451	2,633	282	6,366	
Job Closed	2/28/2003		3,451	2,633	282	6,366	

H. ESTIMATED VS. ACTUAL COSTS

Upon identification of a public project and assignment of a project code, an estimate of all cost elements as discussed in Sections III, IV, V and VI shall be made and recorded to the project tracking system in a manner consistent with ~~the way bids shall be requested. The estimate shall be predicated on~~ the cost elements discussed in this manual and should be tracked accordingly by the project tracking system. This estimate shall include all direct and overhead costs anticipated to be incurred by the proposed public project. The Commission recognizes the existence of equipment rate books which can be utilized by the public agency in lieu of its existing data to estimate and report equipment costs. As well, the Commission recognizes the existence of established government-wide overhead allocation rates, such as 2 CFR Part 225 shown in Appendices A and B, that may be used by public agencies for estimating and reporting their overhead costs associated with public projects. The use of these supplemental materials is discussed in greater detail in the appropriate sections. Each cost element - personnel; materials, supplies, and subcontracts; equipment; and overhead - shall be estimated for each public project. This estimation determines what bidding criteria the public project must come under. AGREED

1. Discussion of Example

The cost of remodeling the Main Street School has been estimated in Exhibit II-~~13~~. No standard format is required for the preparation of this estimate, but the estimate of the cost elements must be recorded to the project tracking system. ~~An example of recording the estimate to a project ledger card is shown in Exhibit II 4. The sample format in Exhibit II-1, and the Excel template on the CUCCAC website, may be used for estimating, tracking and final reporting of project costs.~~ The total cost of performing the remodeling is less than the \$25,000 limit and can therefore be performed by force account. AGREED

The remaining sections of this manual discuss the significant cost elements in further detail:

- III. Personnel Costs
- IV. Materials, Supplies, and Subcontracts
- V. Equipment Costs
- VI. Overhead

EXHIBIT II-3**Estimate of Main School Remodeling**

Project Code: #3359		Project Name: Main Street School Remodeling	
Estimate Date: 1/2/2003	Start Date: 1/7/2003	Estimator: E. Block	

PERSONNEL¹

Class	Department	Estimated Hours	Rate	Total
1. Maintenance Worker II	Building	100.00	\$22.19/hr. ²	2,219
2. Maintenance Worker II	Maintenance	50.00	\$20.48/hr. ²	1,024
Total Personnel Cost				3,243

EQUIPMENT

Class of Equipment	Estimated Time/Mileage	Rate	Total
1. Flatbed Truck	2 days	\$38.80/day	78 ³
2. Table Saw, 16" Blade	1 week	\$102.46/week	102 ³
Total Equipment Cost			180

MATERIALS, SUPPLIES AND SUBCONTRACTS⁴

	Quantity	Cost Per Quantity	Total
1. Carpeting	400 sq. ft.	\$2/sq. ft.	800
2. Painting Subcontract			1,500 ⁴
3. Drywall	10 Panels	\$20/panel	200
4. Warehouse Handling/Carrying Charge (16.6%) on Drywall			33
Total Materials, Supplies and Subcontracts			2,533
TOTAL COST ESTIMATE			5,956

¹ Further discussion is provided in Sections III, IV and V.

² Rate is the productive hourly rate plus overhead for a Maintenance Worker II. See Section III for further discussion on personnel costs.

³ Amount was rounded to the nearest whole dollar.

⁴ Cost per bid submitted by painting subcontractor.

EXHIBIT II 4

Project Ledger Card for
Main Street School Remodeling
With Estimate Posted

Project Code:
~~#3359~~

Project Name:
Main Street School Remodeling

Start Date:
1/7/2003

End Date:
2/28/2003

Foreman:
Sanders

[illegible]

The accurate estimating, tracking and costing of personnel costs is imperative to ensure accurate reporting and future estimating of these costs. Personnel costs are those costs associated with employing public agency personnel in the performance of a specific job. They include three elements:

Annual salary or wage paid by the public agency.

Benefits received by employees such as a public agency's contribution to employee retirement programs, group health plans, and unemployment insurance.

Benefits paid to employee such as salaries or wages paid to employees who are on holidays, vacation leave, and sick leave.

This section of the manual describes the systems and methods used to track personnel time, determine the costs associated with personnel, and record these costs to a project tracking system.

A. TRACKING PERSONNEL TIME

Critical to the public agency's determination of personnel costs is the ability to identify time spent by employees performing work on all public projects.

1. Timekeeping System

A public agency shall have a timekeeping system that accumulates hours worked by employees and assigns these hours to all public project codes. Typically, this project code is assigned by the agency's accounting department and conveyed to the person responsible for the public project, generally the foreman. This system shall enable the agency to track hours worked on public projects to allow for the subsequent distribution of the appropriate personnel costs.

a. Examples of Timekeeping Systems

The simplest of ~~all-timekeeping~~ records is a foreman's time book. These books usually have 50 pages and the foreman records on a daily or weekly basis the employee and his daily time spent on a particular project. These books have heavy tagboard covers so they can remain at the job site and be carried in a foreman's pocket. Typically, at the week's end, the foreman's time book is copied onto timesheets or timecards. This may be done at the central office by the foreman, timekeeper, payroll clerk or bookkeeper. This timekeeping system has the advantage of actual timekeeping being performed at the job site; but if the book is lost, the entire project's time record is lost.

Weekly timesheets or timecards and electronic time keeping systems can also be used to record time. These documents should be completed by ~~employees-employees no later than~~ at the end of the week showing the hours worked on each public project. For the employees to complete the cards or sheets, they must be informed of the appropriate project code to charge. This appears to be an insignificant issue; but without the establishment of a project code and the conveyance of that information to personnel working on the public project, the costs may never get recorded accurately. This decentralization of timekeeping presents the opportunity for possible inaccuracies in the recording of time spent on public projects. Therefore, this system may warrant additional review by management.

AGREED

EXHIBIT III-1								
Public Project Unit Employee Weekly Time Report								
Week of: 1/31/2003								
Name: J. Star								
Unit: Building Maintenance								
Classification: Maintenance Worker II								
Rate:								
Classification	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Total
#3359 Main Street School - Remodel	8.00	8.00	6.00					22.00
#3401 Admin. Building - Weatherization			2.00	8.00				10.00
#5015 Maintenance					4.00			4.00
#0001 Unassigned					4.00			4.00
Total	8.00	8.00	8.00	8.00	8.00			40.00

Recording Supervisor:

AGREED

(For organizations not identified as a public project unit)								EXHIBIT III-2
<p align="center">Organizational Unit Which Performs Work on Public Project Unit—Employee Weekly Time Report</p>								
Week of: 1/31/2003								
Name: H. Tripp								
Unit: Maintenance Department								
Classification: Maintenance Worker II								
Rate:								
Classification	Mon	Tues	Wed	Thurs	Fri	Sat	Sun	Total
#3359 Main Street School - Remodel	8.00	*	*	*	*	*	*	8.00
Total	8.00							8.00

* Performed 32 Hours of general maintenance activities.

Recording Supervisor:

(For organizations not identified as a public project unit)

EXHIBIT III-4

Application of Overhead to a Productive Hourly Rate

AGREED

The following example indicates how to develop a productive hourly rate and apply unit and general government overhead to a class of employee.

Step 1: Determine Annual Cost of Maintenance Worker II

Direct Salary	20,000
Benefits:	
Retirement contribution (18.5% of salary)	3,700
Workers' compensation insurance (6.4% of salary)	1,280
Unemployment insurance (0.1% of salary)	20
Health insurance (\$95/month)	1,140
Life insurance (\$5/month)	60
	<u>26,200</u>

Step 2: Determine Available Working Hours of Employee Class

Total Hours	2,080
Less:	
Holiday	80
Vacation (average)	80
Sick leave (average)	70
Other leave (average)	8
	<u>1,842</u>

Step 3: Calculate Productive Hourly Rate of Maintenance Worker II

Annual cost	26,200
Available working hours	1,842
Annual cost / Available working hours	14.22/hour

Step 4: Apply Unit and Government-Wide Overhead

Unit Overhead

- Building Division – Unit overhead rate is 30% (see Section VI)
- Maintenance Department – Unit overhead is 20% (see Section VI)

Government-Wide Overhead

- Government-Wide overhead rate is 20% (Agency's 2 CFR Part 225 rate)
- Building Division employee – Maintenance Worker II
 - 130% x \$14.22 = \$18.49/hr. (with unit overhead)
 - 120% x \$18.49 = \$22.19/hr. (with unit and government-wide overhead)
- Maintenance Department employee – Maintenance Worker II
 - 120% x \$14.22 = \$17.06/hr. (with unit overhead)
 - 120% x \$17.06 = \$20.48/hr. (with unit and government-wide overhead)

A. COMMISSION ADOPTED SIMPLIFIED OVERHEAD RATE AGREED

Prior to January 1, 2004, the Commission allowed all agencies to use a 20% overhead rate applied to all direct costs in lieu of calculating their overhead rates. Amendments to PCC section 22017 in Senate Bill 66 (Chapter 297, Statutes of 2003) provides that cities with a population of less than 75,000 can assume the 20% rate. Cities with a population of 75,000 or over can either assume a 30% overhead rate or calculate an actual overhead rate. See Exhibits VI 1 and VI 2.

The Commission determined that counties, special districts, and school districts can use a 30% rate or calculate an actual overhead rate, which is the same rule that applies to cities with a population of over 75,000.

Agencies may elect to calculate their overhead rates by one of the three following methods:

- 1) Appendix A describes the federal government's method of calculating overhead (2 CFR Part 225).
- 2) Appendix B describes a method of calculating overhead by allocating overhead costs as a percentage of direct labor costs.
- 3) Any method of calculating overhead is satisfactory with the Commission, provided that acceptable accounting procedures are used and all administrative costs are included.

Section II, C, DEFINITIONS, lists items that define overhead as follows.

Overhead Costs

Overhead costs represent economic resources that are employed for common or joint purposes benefiting several projects or functions. As such, overhead costs are not readily chargeable to individual projects and, therefore, generally require allocation based upon statistical relationships.

Unit Overhead

Unit overhead is defined as all costs incurred by an organizational unit, such as a public project unit, Department, Division, or Section that are not directly attributable to any cost objective whether it is a public project or not. These costs include personnel costs, materials, supplies, and subcontracts and equipment costs not directly attributable to any end cost objective.

Government Wide Overhead

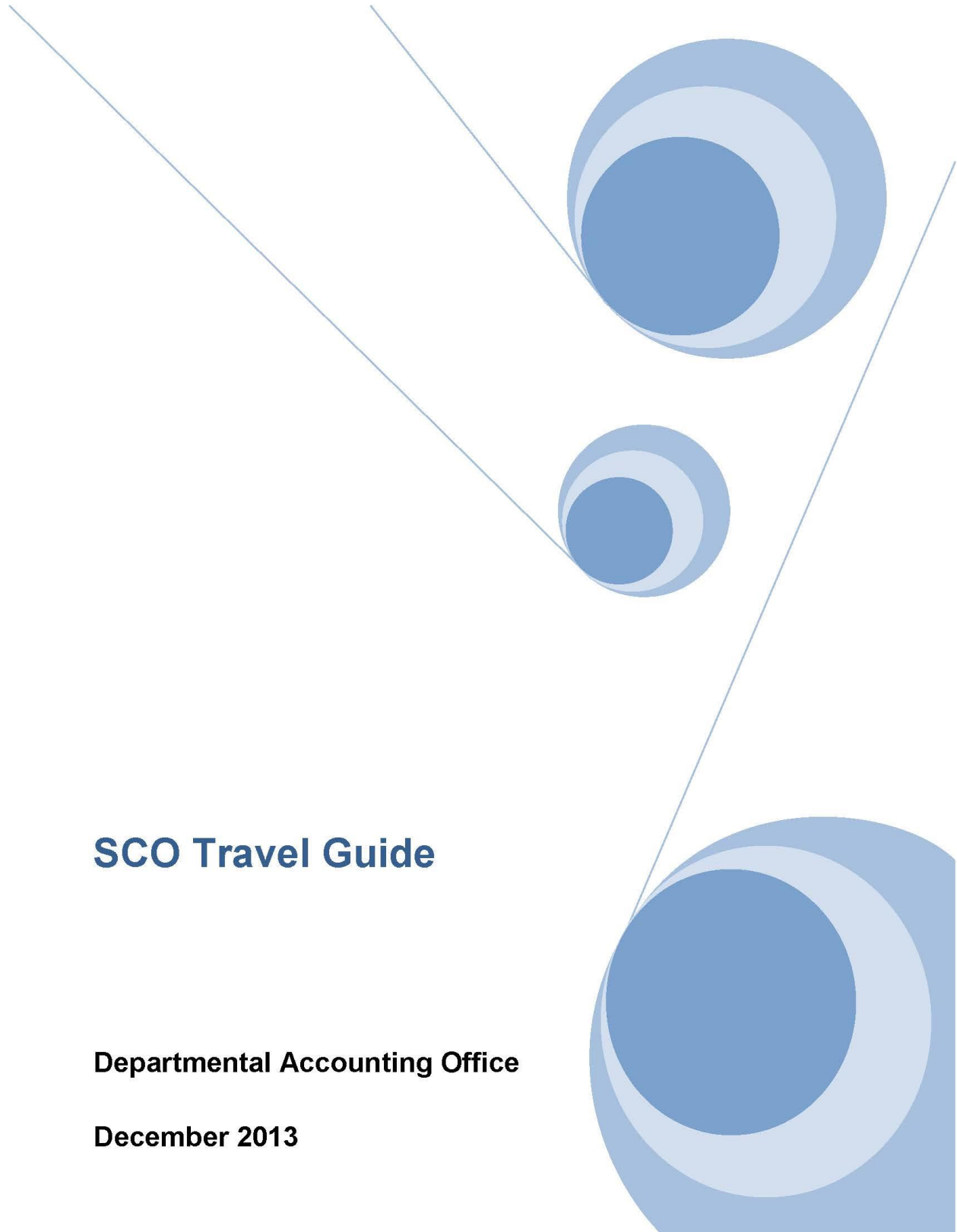
Government wide overhead is defined as all costs of a public agency not associated with organizational units performing services that support all end cost objectives of the government entity.

End Cost Objective

An end cost objective is a cost center or activity established for the accumulation of the direct cost of performing government services. All costs should be considered to indirectly support the performance of these services.

Public Project Unit

A public project unit is an identifiable organization of any size whose primary goals include the undertaking and completion of public projects. The Commission would, in general, consider a unit to be a public project unit when over 25% of the total unit's annual budget is expended on public projects. It is more common to have these organizational units in the larger public agencies—urban counties, cities, and school districts.



SCO Travel Guide

Departmental Accounting Office

December 2013

Lodging

Employees should stay at hotels that offer State rates or less. In cases of *Excess Lodging* where lodging costs exceed the State's maximum allowable rate - an *Excess Lodging Rate Request/Approval* form ([STD. 255C](#)) must be completed and on file in the DAO **at least two weeks prior to travel** in order to be fully reimbursed. This is to allow time to obtain prior approval from the CalHR, which must be granted for those cases where the lodging costs exceed SCO's delegated authority to approve. Using [Concur Travel](#) will aid the employee in providing necessary documentation for Excess Lodging approval.

Per Personnel Management Liaisons (PML) 2013-026, the current State lodging rates for employees represented by SEIU, CAHP, and all non-Represented/Excluded/Exempt employees are as follows:

All Counties/Cities located in California (except as noted below):

Actual lodging expense, supported by a receipt, up to \$90 per night, plus tax.

Napa, Riverside, and Sacramento Counties:

Actual lodging expense, supported by a receipt, up to \$95 per night, plus tax.

Los Angeles, Orange, and Ventura Counties and Edwards AFB, excluding the city of Santa Monica:

Actual lodging expense, supported by a receipt, up to \$120 per night, plus tax.

Alameda, Monterey, San Diego, San Mateo, Santa Clara Counties:

Actual lodging expense, supported by a receipt, up to \$125 per night, plus tax.

San Francisco County and the City of Santa Monica:

Actual lodging expense, supported by a receipt, up to \$150 per night, plus tax.

Note: Employees **not** represented by SEIU and CAHP will continue to use the rates found in their current contract.

Transportation

When determining your mode of transportation, CalHR guidelines state, in part, "Reimbursement for transportation expenses will be based on the method of transportation that is in the best interest of the State, considering both direct expense and the employee's time. If an employee chooses and is authorized to use a method of transportation that is (1) not the least costly, (2) not the typical method of getting from one location to the other, or (3) not in State's best interest, a cost comparison will be prepared and the employee shall be reimbursed for only the amount that would have been reimbursed had the employee used the least costly method."

Air Travel

The State has contracted with Alaska Airlines, Jet Blue, Southwest Airlines, United Airlines, and Virgin America to provide discounted rates for the selected city-pair airfares. However,

the rule of least cost to the State still applies. At this time, reservations can be made for all these airlines except for Southwest using [Concur Travel](#). Booking Southwest flights, the employee will use SWABIZ as described in the planning section of this guide. Southwest's "Wanna Get Away" and "Anytime" fares offer the best value to State travelers while the "Business Select" rate is more expensive and should not be used. Other extra cost upgrades such as Early Bird Check-in (currently an additional \$10 fee) will not be reimbursed. When Southwest cannot accommodate your travel needs, the other city-pair airlines may be booked through [Concur Travel](#). Receipt is required and should be submitted with employee's TEC.

Rental Cars

Employees should use vendor **The Affiliates of Enterprise Holding Inc.**, the State's contracted rental car agency for car rental. The Affiliates of Enterprise Holding Inc. include **Enterprise Rent-A-Car**, **National Car Rental** and **Alamo Car Rent-A-Car**. National Car Rental will be used primarily for out-of-State and international travel. Again, employees should use the rule of "best interest to the State" when determining which type of vehicle to rent. **Important note:** Car rental agencies normally charge inflated refueling costs and therefore, rental cars should be fully refueled by traveler prior to returning the vehicle. If your rate exceeding DGS contracted rate (see below), please fill out a [justification form](#) submit with your TEC.

Travelers are required to show a second form of identification when picking up the vehicles. The following are acceptable as a 2nd form of ID:

- An **Employee Issued ID Badge**.
- One of your **Business Cards**.
- A copy of your **Travel Itinerary** if your reservations were made through [Concur Travel](#).
- An **Authorization Letter** on your letterhead including the renter's name, date of rental, and a contact name and number from your agency for verification purposes.

(Per DGS Travel Bulletin #13-01)

Daily Rate: \$30.78 Maximum Cap Daily Rate: \$47.20 Weekly Rate: \$123.12

Parking

The least-cost method should be employed, such as self-parking versus valet parking. Receipts are required for parking expenses in excess of \$10.

Airport Parking

According to SAM Section 0755, "Employees parking at airports must use the less expensive peripheral parking or adequately justify excessive parking charges." If you have a compelling need to park in a more expensive parking lot, a justification stating the reason should be noted on your TEC.

Mileage Reimbursement Rate

The chart below reflects prior and current mileage reimbursement rates for State employees except those represented by Bargaining Unit 6 (DPA PML 2010-039).

Incurred Travel Dates	Mileage Rate/Per Mile
January 1, 2009 through December 31, 2009	\$0.550
January 1, 2010 through December 31, 2010	\$0.50
January 1, 2011 through June 30, 2011	\$0.51
July 1, 2011 through December 31, 2012	\$0.555
Effective January 1, 2013	\$0.565

Effective January 1, 2013, the relocation/moving mileage reimbursement rate for all current State employees and new-hires to State is \$0.24 per mile.

Effective May 16, 2011, employees represented by BU 6 may claim at a rate consistent with the Federal Standard Mileage Reimbursement Rate as provided above.

Non-Travel Expenses

Overtime (OT) Meals and Call Back Mileage (DPA 599.622)

Employees may claim \$8.00 OT meal reimbursement if:

- Employees work at least two hours more than their regular schedule workday
- Employees work a minimum of ten hours of OT on holidays or regular scheduled day off

Employees on travel status will not be reimbursed for OT meals.

Employees may claim the call back mileage at the current mileage rate if:

- Employees go home and are "called" back to work
- Employees work on their regular day off.

Transit Subsidy and Vanpool Reimbursement

<i>Transit passes/Vanpool passengers</i>	75% up to \$65.00
<i>Vanpool Drivers</i>	\$100.00 per month