

California Uniform Construction Cost Accounting Commission

Minutes of Friday, April 19, 2024

The California Uniform Construction Cost Accounting Commission (Commission) officially approved the following minutes at the subsequent public Commission meeting held on August 16, 2024.

1. Call to Order

Chair John Nunan called the meeting to order at 10:00 a.m.

Commissioners present: John Nunan, Leeann Errotabere, Nathaniel Holt, Eddie Bernacchi, Chad Rinde, Jeremy Smith, and Jennifer Wakeman

Commissioners present via Teleconference: Will Clemens, Mike James, and Peter Worhunsky

Excused Absences: Johannes Hoevertsz, Mary Teichert, Chuck Poss, and Hertz Ramirez

State Controller's Office Staff present: Jia Liu, Luis Gonzalez, Gene Hughes, Jason Narayan, and Alexander Fay

2. Introductions

Mr. Gonzalez from the State Controller's Office (SCO) conducted roll call. Gene Hughes and Jason Narayan from SCO introduced themselves.

3. Approval of the Minutes

A. Meeting held on December 8, 2023

There were no comments from the Commission or the public. Commissioner Smith motioned to approve the meeting minutes of December 8, 2023, without any changes. Commissioner Rinde seconded the motion.

The motion passed unanimously 9-0 on a roll call vote with no abstentions.

Note: Commissioner Wakeman joined the meeting after the vote for approval of the minutes.

4. Commission Updates

A. Participating Agencies

Mr. Gonzalez, SCO staff, presented an update on participating agencies, noting that SCO had received 31 resolutions from agencies that opted into the California Uniform Public Construction Cost Accounting Act (CUPCCAA) since the previous meeting. The 31 new participating agencies includes 4 cities, 14 school districts, and 13 special districts. The number of agencies participating in CUPCCAA, including newly opted-in agencies, currently totals 1,616.

There were no further questions or public comments.

B. Funding Update

Mr. Gonzalez reported that the Commission received their fourth quarter grant for \$625.00 from the California Construction Advancement Program. There were two travel expenses submitted related to attendance for the previous CUCCAC meeting and three travel expenses submitted for CUCCAC presentations at conferences held by the California Society of Municipal Finance Officers, California's Coalition for Adequate School Housing, and the California Association of School Business Officials. A total of \$15,081.59 is available for unrestricted funds and travel reimbursement for the Commission to use.

C. Inquiry Update

Mr. Gonzalez presented a report on inquiries received since the previous meeting. He stated that SCO received 27 inquiries following the meeting held on December 8. He highlighted two inquiries by public agencies describing their difficulty in contacting or confirming their projects had been posted. He notes Ebidboard has changed its name to BidNet direct.

5. Public Comments

Chair Nunan asked if there were any comments from the public.

There were no comments from the public at this time.

6. Staff Comments/Requests

A. SCO Staff Update

Mr. Gonzalez stated Anthony Carver is no longer with Local Government Policy Unit and he will be the CUCCAC representative going forward.

B. Form 700

Mr. Gonzalez reported that Commissioner Teichert and Commissioner Worhunsky had outstanding Form 700s.

C. Appointment & Reappointment Updates

Mr. Gonzalez reported that Commissioners Rinde, Poss, Nunan, Holt, Clemens, and Ramirez have been reappointed for additional three-year terms. He shared that Commissioners Smith and James will be up for reappointment within the year.

7. Reports of Officers

A. Chair

Chair Nunan did not have anything to report.

B. Vice-Chair

Vice-Chair Errotabere shared that she presented a CUPCCAA presentation at the California Association of School business officials. She reports the workshop was well received and attended by approximately one hundred attendees. She stated the focus of the workshop was compliance, prevailing wages, and the

Department of Industrial Relations. She states the workshop emphasized a focus on the entire scope of the project and not just one portion of the project.

C. Secretary

Commissioner Holt shared he held a CUPCCAA presentation at the conference held by the California Association of Public Procurement Officials. He reports that local governments at the conference were not having issues signing up for the Act, but were having issue with putting a program together internally and following all components of the Act. He reported that the presentation was well attended with over 70 attendees.

Chair Nunan states that with the turnover in public agencies, there is a learning curve to understanding the Act. He stated that the inquiries received by the Commission over the last two years have become more sophisticated and complaints have become less frequent. He added that he believes this is a trend in the right direction.

8. Committee Reports

A. Legislative Update

i. AB 2192: Public agencies: cost accounting standards

Commissioner Bernacchi stated that he and Commissioner Smith have been active on moving AB 2192 through the legislative process and the bill is set for hearing April 24. He encouraged public agencies to submit letters of support for the legislation and that current support is mainly coming from the industry and labor sectors. Commissioner Bernacchi also add that SCO has offered their support on the bill and are willing to co-sponsor it.

ii. AB 2009: School Districts: public contracts

Commissioner Errotabere reported that AB 2009 is intended to change the \$15,000 public works threshold and is concerned the bill may conflict with the CUPCCAA bid limits. Commissioner Bernacchi reported that the bill sponsors intend to raise the thresholds for school districts and that the bill is facing concerns and opposition from the industry sector. He added that he had suggested to the sponsors that they opt-in to CUPCCAA and that discussions were held to provide school districts with the flexibility to opt-in to CUPCCAA over a one-year period. However, the negotiations fell apart and the bill will be held.

B. CUCCAC Manual

i. Proposed changes – Legislative updates

Nothing to report.

ii. Proposed changes – Non-Legislative updates

The Committee proposed updating the manual once the changes to the bid limits have gone into effect along with any other necessary updates. The Committee also discussed sending a letter to public agencies informing them

of the updates to the bid limits and including references to the updated manual in the letter.

9. Commissioner Comments/Requests

A. Comments

Nothing to report.

10. Old Business

Nothing to report.

11. New Business

A. Election of officers – Chairperson, Vice Chairperson, and Secretary

Commissioner Wakeman asked if the officers must rotate. Mr. Gonzalez clarified that Commissioners may serve two consecutive terms and that the current officers are still on their first term. Commissioner Clemens recommended that the current officers be re-elected and a new vice-chair be selected once Vice-Chair Errotabere retires from the Commission in October. Commissioner Bernacchi agreed and made a motion to re-elect the current officers for a second term. Commissioner Wakeman seconded the motion.

The motion passed unanimously 10-0 on a roll call vote.

B. Annual CUCCAC Training/Webinar and Bidding Locations tool

Chair Nunan inquired of the Commission whether they had any comments concerning additional training tools for public agencies. Commissioner Rinde stated that the Commissioners would need to volunteer their time to develop the training tool. He added that with webinar software being more accessible than in the past, the costs may not be as expensive as it might have been previously.

The Commission discussed producing a webinar that focused on the benefits of the Act, execution of the Act, and staying in compliance. The Commission discussed the possibility of recording the webinar and posting it on the State Controller's Office CUCCAC webpage or distributing it via email to agencies upon request. Commissioner Rinde stated that a training webinar would be a benefit to those public agencies that, due to the cost, cannot attend the presentations on the Act held at conferences.

Michelle Pickens, Executive Director of the Construction Industry Force Account Council (CIFAC), provided a summary of CIFAC's efforts in educating public agencies on the Act and the resources available on their website. Commissioner Bernacchi inquired whether CIFAC would assist the Commission in producing the training from a compliance perspective. Ms. Pickens offered her support.

Chair Nunan suggested that the Commissioners review the resources they have and create a sub-committee at the next meeting with the focus being to develop or select the content to be hosted on SCO's CUCCAC webpage. Commissioner Bernacchi clarified that the training material would be produced by the commission to address opting-in, compliance, benefits of the Act, and

Commission responsibilities. Chair Nunan stated that he would like to ensure the training material is comprehensive and organized. Commissioner James suggested that the commission work on collecting updated contact information for agencies.

The Commission recognized Joanne Branch to make a public comment. Ms. Branch, retired from the San Diego Unified School District and the San Diego County Office of Education, suggested that new agencies be automatically subscribed to the Commission's email list when they opt-in to the Act. She also added that contact information for agencies be updated if an email is returned as undeliverable.

Ms. Branch stated that in her opinion the Commission is placing agencies at risk by allowing for a purchase order under Public Contract Code section 22032. She added that in her professional experience there was no occasion where she would have used a purchase order when hiring a contractor. Ms. Branch suggested that the Commission should allow public agencies to decide whether they should use a purchase order, but not, "cause them to feel justified in doing something wrong."

The Commission discussed payments bonds and the requirement to secure those bonds for contracts above \$25,000. The Commission discussed fact that the requirement for payment bonds lies outside of the Public Contract Code of CUPCCAA and specifically discussed the provisions of Public Contract Code 22032. The Commission concluded that it is up to each agency to follow their own counsel and best practices.

12. Next Meeting

The Commission agreed to schedule the next meeting for:

Friday, August 16, 2024
10:00 a.m. – 12:00 p.m.
California State Controller's Office
3301 C Street
Buckeye Meeting Room
Sacramento, CA 95816

13. Adjournment

Chair Nunan motioned to adjourn the meeting at 11:03 a.m., all in favor with zero opposition.

To request additional information concerning this meeting, please use the following contact information:

State Controller's Office
Local Government Programs and Services Divisions
Local Government Policy Section
LocalGovPolicy@sco.ca.gov