

California Uniform Construction Cost Accounting Commission

Minutes of Friday, May 12, 2017

These minutes were officially approved by the Commission at the subsequent public meeting on September 28, 2017.

1. Call to order

Chair Linda Clifford called the meeting to order at 10:10 AM

Present: Linda Clifford, Will Clemens, Eddie Bernacchi, Robert Campbell, George Hicks, Steven Hartwig, Michael Hester, Nathaniel Holt, Ken A. Kayser, Paavo Ogren

Via teleconference: None

Absent: Guiselle Carreon, Jeff Armstrong, David Cruce

Unexcused Absences: Cesar Diaz

Guests in person: Cathryn Hilliard, Construction Industry Force Account Council (CIFAC), Michelle Tucker (CIFAC)

Guest via teleconference: None

State Controller's Office: Justin Dersch, Jim Reisinger, Jenny Jones, Debbie Torres, Josh Buchanan, Jason Narayan.

2. Introductions

The Commissioners and staff all introduced themselves.

3. Approval of the Minutes

A. Meeting held on February 13, 2017

The February 13, 2017, meeting minutes were approved with the following amendments brought forth by Commissioners Clemens, Bernacchi, and the State Controller's Office staff Debbie Torres:

Commissioner Clemens

On page six, first paragraph, second sentence suggested deleting an extra space "Cha ir" to reflect "Chair."

Commissioner Bernacchi

Change language on page five, first sentence listed under "B", Legislative Update.

Commissioner Bernacchi stated that currently the Act will not be able to be included in the omnibus act any longer for any issues of concern.

Change to:

Commissioner Bernacchi stated that changes in the Act will not be able to be included in the omnibus act any longer due to issues of concern.

On page six, under 11, New Business "A.":

Change order limits for special districts such as schools is not the same as it is for counties and cities so that special districts need to abide not only by the Act but also may have further restrictions because of their own ordinances and policies.

Change to:

Change order limits for schools are not the same as they are for counties and cities. Schools need to abide not only by the Act but also may have further restrictions because of their own ordinances and policies.

Debbie Torres

On page five, third sentence listed under "B", Legislative Update.

Heather Stone

Change to:

Heather Scott

Commissioner Hartwig moved to approve the minutes, and Commissioner Hester seconded with the four aforementioned changes. (The motion passed with 9 yays, 0 nays.)

4. Commission Update (refer to attachment Item 4A & 4B)

A. Participating Agencies

The State Controller's Office (SCO) presented an update on the participating agencies, noting eighteen (18) new agencies along with three (3) additional resolutions by agencies which had already opted into the Uniform Public Construction Cost Accounting Act (UPCCAA). The participating agencies, including newly opted in agencies, totaled 1,053 to date.

B. Funding

I. Update

The SCO reported a balance of \$8,854.90 in unrestricted funds available to the committee. Chair Clifford reiterated that the aforementioned funds are not restricted and can be used to perform both audits and outreach on behalf of the Commission.

Chair Clifford mentioned that there were several letters that were written by various commissioners and mailed for donations to assist with the current CUCCAC funding. Commissioner Hester presented the SCO with a check from CIFAC in the amount of \$2,500 as a result of one of the letters written.

C. Inquiry Update

SCO ID 319:

The SCO presented a report on inquiries received since the last meeting. Commissioner Clemens mentioned on page two of the inquiries from the County of Santa Cruz Public Works.

Q1. When doing work with agency forces under the \$45,000 limit, do we have to disclose and post a notice somewhere? For example, how does CIFAC or other vendors know what we are doing work with agency forces under the limit?

A1. Yes, you need to post the work in the Construction Trade Journals. Please refer to page 7 of the Cost Accounting Policies and Procedures Manual. In addition to your other question, someone has to make a complaint to the Commission about a project. We recommend some best practices along the following lines- the agency should have a process by which they determine the cost of the project. The information should be reviewed by more than the person preparing the budget for accuracy, just as a good practice. If the budget (plus any reasonable contingency) is clearly under \$45,000 and the details of the project are well known (no concerns about possible environmental or unknown conditions so that the estimated cost is reliable), then the agency should proceed forward with its forces to complete the project. The original budget and the actual costs (when the project is completed) must be available for review as public information if CIFAC or others request information on a project.

The answer was incorrect as noted in the inquiry update.

Commissioner Clemens noted that the SCO will need to change the answer to:

“No, you do not need to post the work in the Construction Trade Journal.”

Commissioner Clemens will contact the County of Santa Cruz Public Works to ensure they are aware of the correction to the inquiry.

Commissioner Campbell mentioned inquiry 341 was still pending (see question below):

The Ventura County Watershed Protection District is previously known as Ventura County Flood Control District. The Ventura County Flood Control District is on the participating agencies list, but not the Ventura County Watershed Protection District. Is the Ventura County Watershed Protection District a participating agency, or must they opt in under the new entity name?

Commissioner Campbell wanted to know if Ventura County Watershed Protection District still had to opt into the Act after the district changed their name.

Chair Clifford stated that she believed the answer to be no, as long as they are the same agency with the same governing board. Chair Clifford stated that it

would probably be a good process for the agency to inform the Commission that they had a name change and nothing else.

Chair Clifford agreed to review the responses on the questions since the last meeting to make sure that if there were any clarifications needed because of the clarification of the Santa Cruz Public Works listed above. Those clarifications would be sent to the appropriate agencies.

SCO ID 335 and 339:

The aforementioned inquiries were duplicated in error. Please see below for the status information relating to SCO ID 339:

Q. Under the California Uniform Public Construction Cost Accounting Act, are soft costs (preconstruction tasks, plans, estimating, etc., costs) included in the project cost for informal bids (\$175K and \$45K) limits?

A. The Act is intended to manage construction projects; however, the definition includes the support processes such as design and construction management. All costs for a project are included in the assessment of whether a project falls into informal or formal bidding requirements. The limits of the Act are firm limits and the costs of the projects cannot exceed the limits. If there is any chance the soft costs might exceed one of these limits for any reason (change orders, expanding work scope, etc.) the participating agency should use the procedures for the next size up job so the agency does not end up in violation of the Act.

5. Public Comment

Cathryn Hilliard, a representative of CIFAC, asked to make a comment to the Commission. Ms. Hilliard noted she was retiring this year and it had been an honor to work with the Commission since she attended her first meeting with the Commission in 1997. She noted that since 1984 (when the Commission was created) CIFAC's relationship with the Commission was one of significant cooperation, including support when there was no funding for the Commission from any source, including the most recent support presented earlier.

6. Staff Comments/Request

A. Ethics

Ms. Torres provided a folder for the Commission with each of the Commissioner's ethics training due date and the revised by-laws.

Chair Clifford reminded the Commission that the chart on the sheet had each Commissioner's expiration date for their ethics training. She also insisted that the Commissioner's renew their training prior to their respective due dates.

7. Reports of Officers

A. Chair

Chair Clifford mentioned that in the next meeting the Commission will be electing new officers. She also reminded the Commissioners about the new bylaws, and that attendance is now being documented for the record as present, excused, and unexcused going forward.

B. Vice Chair

Vice Chair Clemens reported on his presentation to the County General Services' Conference Association in April 2017. He mentioned that he and others continued to look for other opportunities for outreach for the Commission for new participating agencies.

C. Secretary

Secretary Carreon was not in attendance and was unable to post her address before the agenda notice deadline.

8. Committee Reports

A. Frequently Asked Questions (FAQs)

No recommendations to revise the FAQ's

B. Legislative Update

Commissioner Bernacchi stated that he has been working to get long-term legislative approval to provide the SCO with the ability to request funding for the CUCCAC through a Budget Change Proposal (BCP) process or as part of the annual budgeting process.

The intent would be to staff the commission fully and help the SCO be compensated for the staffing and support through budget allocations included in the general fund.

C. CUCCAC Manual Update

I. Current Status of Manual

SCO informed the Commission that the manual has been posted with all corrections.

II. Proposed Changes – Non-legislative

None at this time.

III. Proposed Changes – Legislative

None at this time.

9. Commissioner Comments/Request

There were no Commissioner comments or requests.

10. Old Business

There was no old business.

11. New Business

None at this time.

12. Next Meeting

The Commission agreed to schedule the next meeting date for Thursday, September 28, 2017, from 10:00 a.m. – 2:00 p.m. at the State Controller's Office, 300 Capitol Mall, Suite 635, Sacramento, CA 95816.

13. Adjournment

Commissioner Hicks moved to adjourn the meeting and Commissioner Hartwig seconded. The Meeting was adjourned at 11:50 a.m.

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

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