

# California Uniform Construction Cost Accounting Commission

## Meeting Agenda Thursday, May 17, 2018

10:00AM – 2:00PM

Teleconference Number: (888) 363-4734

Participation Code: 4461005

### Location

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

### Attendance

California Uniform Construction Cost Accounting Commission		
<i>Name</i>	<i>Position</i>	<i>Representing</i>
Will Clemens, Chair	Central Services Department, Director	County of San Luis Obispo – Counties
Michael R. Hester, Vice Chair	President	McGuire and Hester – Subcontractors
Linda Clifford	Consultant	Contractors State License Board
Guiselle Carreon	Retired	San Diego County Office of Education – School Districts
George R. Hicks	Retired	City of Fairfield – Cities
Steven L. Hartwig	Deputy Public Works Director	City of American Canyon – Cities
Ken A. Kayser	Owner	Kayser Consulting – General Contractors
Paavo Ogren	General Manager	Oceano Community Services District – Special Districts
Eddie Bernacchi	President	NECA, Politico Group – Subcontractors
Robert Campbell	Auditor-Controller	County of Contra Costa - Counties

State Controller's Office		
<i>Name</i>	<i>Position</i>	<i>Representing</i>
Kimberly Chow	Staff Counsel	State Controller's Office (SCO) Legal Office
Renee Hsieh	Bureau Chief	SCO Local Government Policy Section
Jim Reisinger	Manager	SCO Local Government Policy Section
Jenny Jones	Supervisor	SCO Local Government Policy Section
Alexandria Green	Policy Analyst	SCO Local Government Policy Section
Jason Narayan	Policy Analyst	SCO Local Government Policy Section

## Meeting Agenda

1. Call to Order
2. Introductions
  - A. Introductions
3. Approval of the Minutes
  - A. Meeting on February 15, 2018
4. Commission Update
  - A. Participating Agencies
  - B. Commission Funding
  - C. Inquiry Update
  - D. 2017 Legislative Report
5. Public Comment
6. Staff Comments/Requests
  - A. Form 700 – Update
  - B. Revision of By-Laws
  - C. ListServ Notification
7. Reports of Officers
  - A. Chair
  - B. Vice Chair
  - C. Secretary
8. Committee Reports
  - A. FAQ Ad-Hoc Committee
  - B. CUCCAC Manual Ad-Hoc Committee
    - i. Proposed Changes – Legislative Update
    - ii. Proposed Changes – Non-Legislative Update
      1. Minimum Requirements for Contractors' List
      2. Responsibilities of the Account Review Process
      3. General Inquiries Process
9. Commissioner Comments/Requests

**10. Old Business**

- A. Response letter from CUCCAC to the City of Ukiah
- B. Response letter from CUCCAC to the City of Santa Fe Springs
- C. AB 2249 *"Bid Limit Threshold"*

**11. New Business**

- A. PCC 22034(d) Legislative Change

**12. Next Meeting**

**13. Adjournment**

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

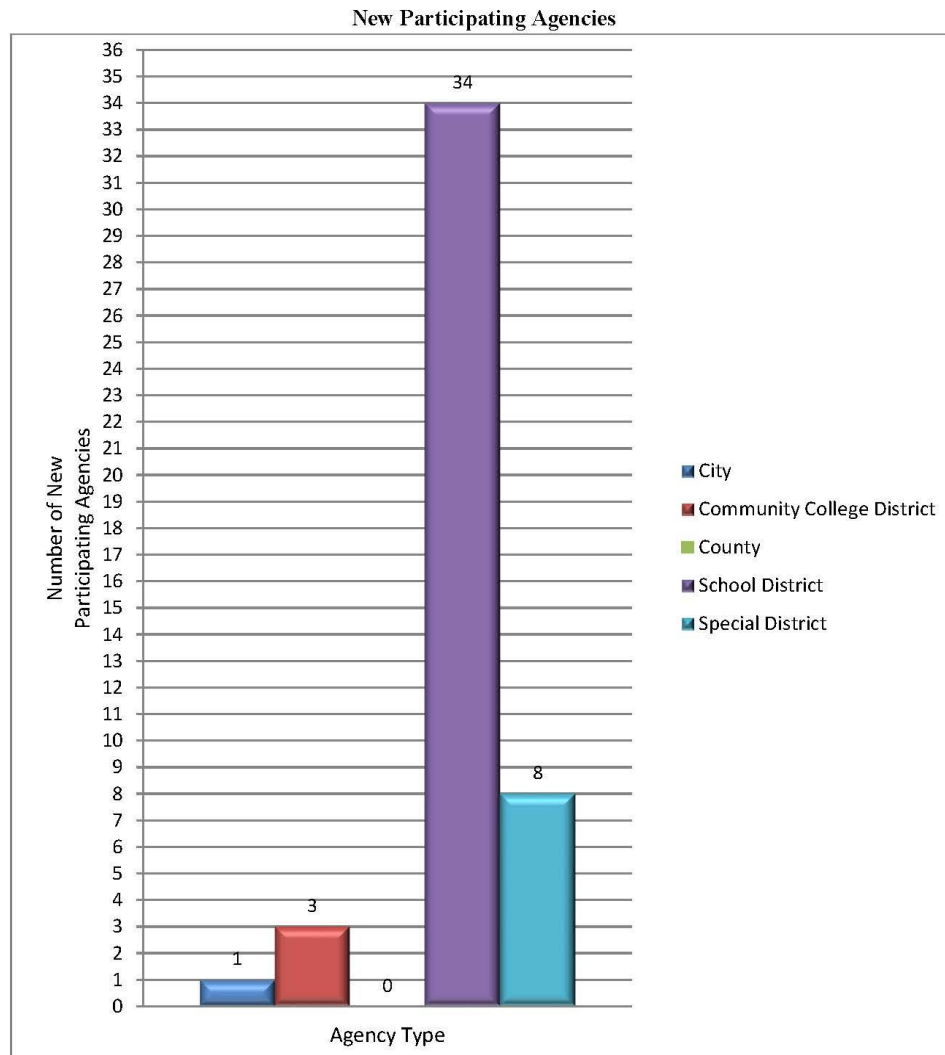
State Controller's Office  
Local Government Policy Section  
[localgovpolicy@sco.ca.gov](mailto:localgovpolicy@sco.ca.gov)

Participating Agency's Update  
For the period May 8, 2018 – September 7, 2018

Item 4A

**Report on new participating agencies**

The State Controller's Office has received 50 resolutions from agencies that have opted into the California Uniform Public Construction Cost Accounting Act (CUPCCAA), bringing the number of agencies participating in the Act to 1,170.



Participating Agency's Update  
For the period May 8, 2018 – September 7, 2018

Item 4A

	Agency	Date Opted In	Agency Type
*	Las Gallinas Valley Sanitary District	04/26/2018	Special District
*	Manchester Union Elementary School District	04/17/2018	School District
*	Lake County Office of Education	04/18/2018	School District
*	Plaza Elementary School District	04/26/2018	School District
*	Warner Unified School District	03/14/2016	School District
	Lassen Community College District	05/08/2018	Community College District
	Strathmore Union Elementary School District	05/14/2018	School District
*	Lake Elementary School District	04/17/2018	School District
*	Corona-Norco Unified School District	05/01/2018	School District
*	City of Livermore	04/09/2018	City
*	Lake Tahoe Community College District	04/10/2018	Community College District
	North of River Sanitary District No. 1	06/05/2018	Special District
	SamTrans – San Mateo County Transit District	06/06/2018	Special District
	Corning Union High School District	05/17/2018	School District
	City of Millbrae	05/22/2018	City
*	Esparto Unified School District	09/23/2015	School District
*	St. Helena Unified School District	06/21/2018	School District
	Lemon Grove School District	06/12/2018	School District
	Morgan Hill Unified School District	06/05/2018	School District
*	El Monte City School District	10/17/2016	School District
	Wrightwood Community Services District	06/26/2018	Special District
	Biggs Unified School District	06/25/2018	School District
	Grant Elementary School District	06/14/2018	School District
	South San Francisco Unified School District	05/24/2018	School District
*	Kernville Union School District	07/24/2013	School District
*	City of Union City	04/12/2005	City
	Forestville Union School District	06/11/2018	School District
*	Cinnabar Elementary School District	06/27/2017	School District
	Glenn County Office of Education	06/08/2018	School District
*	Azusa Unified School District	02/20/2018	School District
*	Shasta Union High School District	05/12/2015	School District
	Konocti Unified School District	06/20/2018	School District
	City of Diamond Bar	06/19/2018	City
	Reclamation District No. 1608	07/11/2018	Special District
*	Tahoe Forest Hospital District	09/28/2017	Special District
	Torrance Unified School District	07/16/2018	School District
	Sunnyside Union Elementary School	07/16/2018	School District
	Wheatland Union High School District	07/12/2018	School District
	Solano Community College District	07/18/2018	Community College District
	Reclamation District No. 828	07/19/2018	Special District
*	Monterey County Board of Education	04/18/2012	School District
*	City of Carson	02/07/2017	City
	Vallecitos School District	08/14/2018	School District
	Harmony Union School District	04/20/2017	School District

Participating Agency's Update  
For the period May 8, 2018 – September 7, 2018

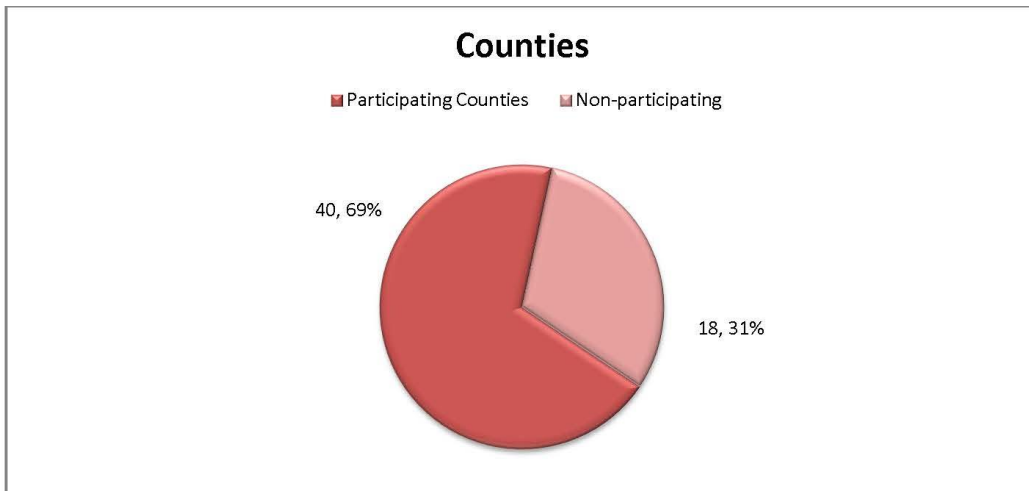
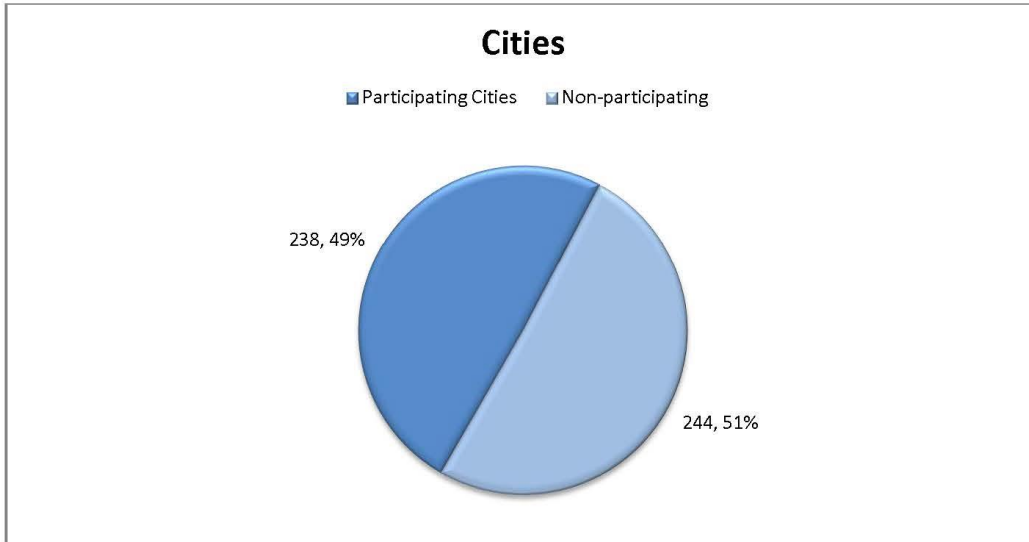
**Item 4A**

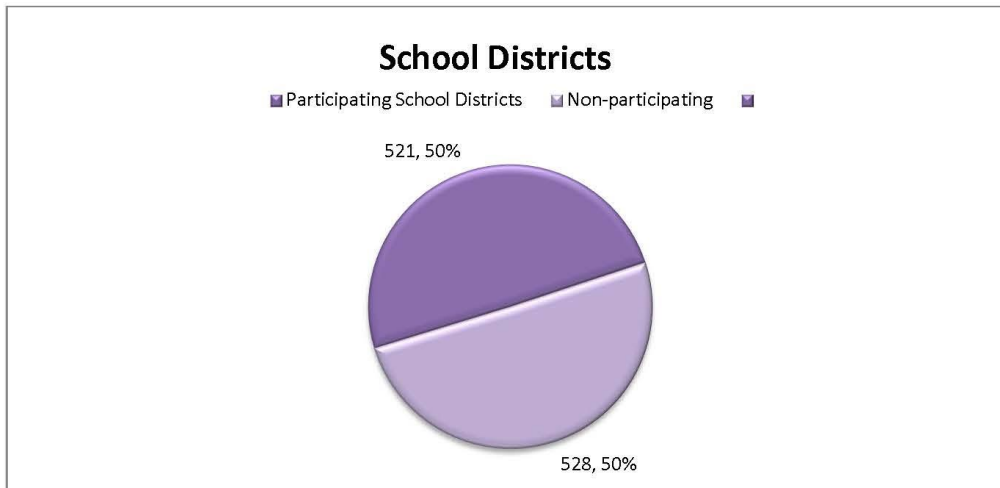
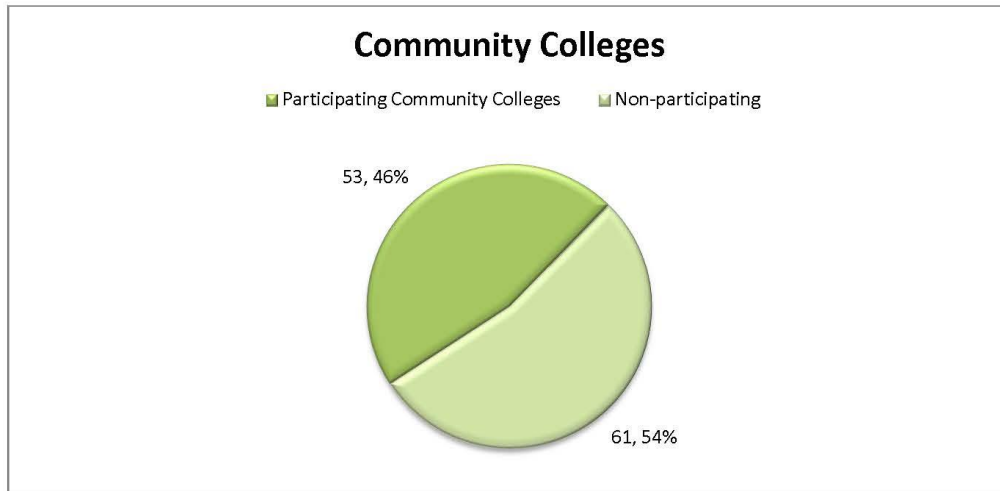
	Agency	Date Opted In	Agency Type
	Oroville Union High School District	08/15/2018	School District
	Monrovia Unified School District	08/22/2018	School District
	Williams S. Hart Union High School District	08/15/2018	School District
*	Palos Verdes Peninsula Unified School District	04/18/2018	School District
*	Central Contra Costa Sanitary District	05/03/2018	Special District
	Charter Oak Unified School District	08/09/2018	School District

The asterisk (\*) represents that the entity was not recognized as a participating agency prior to May 8, 2018, although they have opted into the act prior.

Participating Agency's Update  
For the period May 8, 2018 – September 7, 2018

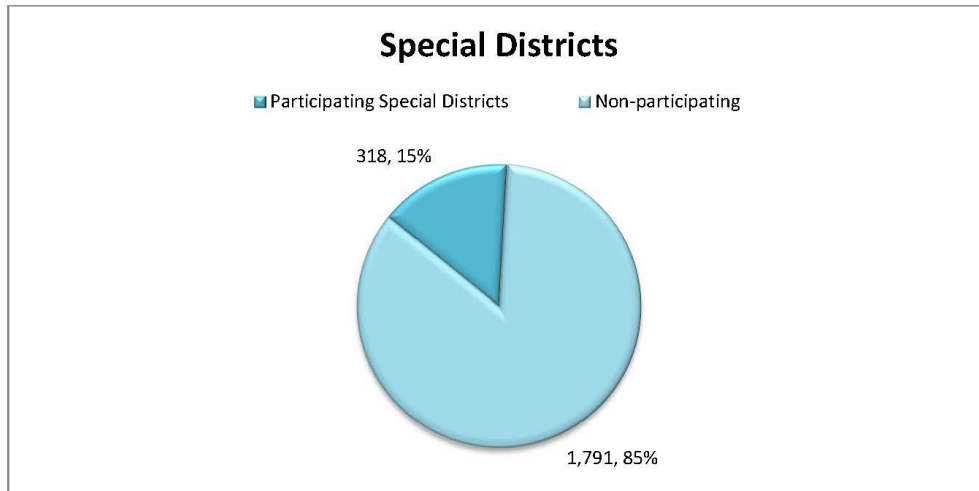
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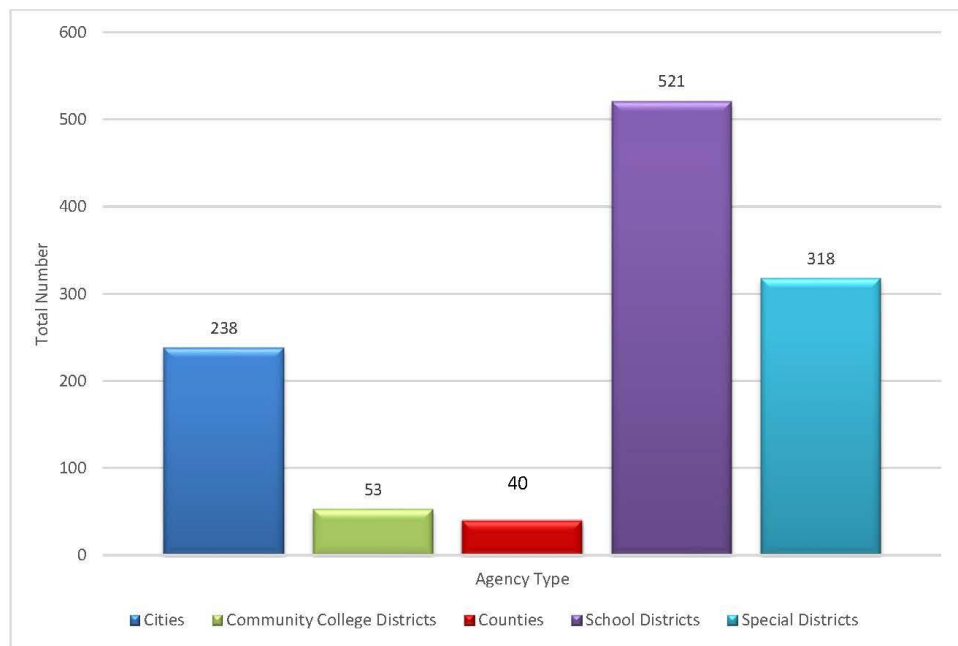


Participating Agency's Update  
For the period May 8, 2018 – September 7, 2018

Item 4A



Total Participating Agencies (1,170)



Commission Funding Update  
For the period February 6, 2018 – May 7, 2018

Item 4B

**Funding update**

The Commission has \$12,778.69 of unrestricted donations available for use and reimbursement.

	<b>Unconditional</b>	<b>Total</b>
Beginning Balance 02/06/2018	\$ 13,854.90	\$ 13,854.90
Expensed Transactions:		
Will Clemens Travel Expense Claim	\$ - 472.48	
Nathaniel Holt Travel Expense Claim	\$ - 316.02	
Guiselle Carreon Travel Expense Claim	\$ - 287.71	\$ - 1,076.21
Ending Balance 05/07/2018		\$ 12,778.69

***California Uniform Construction Cost Accounting Commission***

Will Clemens  
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Central Services Department  
County of San Luis Obispo  
Counties  
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Program Director  
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General Contractors

March 28, 2018

Mr. Daniel Alvarez  
Secretary of the Senate  
State Capitol, Room 3044  
Sacramento, CA 95814

Mr. E. Dotson Wilson  
Chief Clerk of the Assembly  
State Capitol, Room 3196  
Sacramento, CA 95814

**RE: Annual Report to the California State Legislature for 2017**

Dear Members of the Legislature,

In accordance with Public Contract Code (PCC) §22017(d), the activities and operations of the California Uniform Construction Cost Accounting Commission (Commission) for 2017 are enclosed.

The Commission is tasked with providing technical support to public agencies by prescribing uniform construction cost accounting procedures for those agencies that opt into the Uniform Public Construction Cost Accounting Act (Act), pursuant to PCC §22010. The Commission works to ensure the equitable application of and compliance with the Act by reviewing public complaints and recommending audits when the criteria of the Act are not fulfilled. The Act promotes statewide uniformity of cost accounting standards and flexibility in bidding procedures on construction work performed or contracted by public entities in California.

The Act has resulted in cost savings and improved efficiency for public agencies in the bidding, award, execution, and completion of public works projects. In addition, the Commission conducts meetings that are open to the public, provides a manual for use by the public agencies that are signatory to the Act, and maintains a Commission web page on the State Controller's Office (SCO) website. Commissioners also facilitate and participate in outreach and training to participating agencies, candidate agencies, and professional organizations.

c/o: State Controller's Office  
Local Government Policy Section  
P.O. Box 942850, Sacramento, CA 94250  
Phone: 916-327-8905 \* Fax: 916-327-3162

*California Uniform Construction Cost Accounting Commission*

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The Annual Report of Commission activities is as follows:

- The Commission met on February 13, 2017; May 12, 2017; September 28, 2017; and December 14, 2017. The first three meetings were chaired by Linda Clifford, representing the Contractors State License Board. The last meeting was chaired by Will Clemens, representing California Counties.
- Sixty-five new agencies have opted into the Act, bringing the number of agencies participating in the Act up to 1,105.
- The Commission responded to 54 public agency inquiries outside of normal meetings. This indicates the level of importance, public agency interest, and dependence upon the ongoing technical support that the Commission provides annually to its participants.
- Commissioners continued to volunteer their personal time to make presentations at various annual public agency meetings, including the annual State Controller's Conference with County Auditors, which has been attended by at least one Commissioner for the last two years.  
  
Commissioner Carreon attended multiple school district workshops throughout California. She facilitated a one-hour presentation on the Act sponsored by the California Association of School Business Officials. In addition, Chair Clemens spoke to the County General Services Directors Association in early 2017, which was another platform for encouraging public agencies to opt into the Act. Other commissioners have attended association meetings for their constituencies and made presentations about the Act.
- The Commission is aware that the minimal secured funding hinders its ability to fully implement statutory requirements of the Act. As a result, the Commission has initiated efforts to increase awareness of the Commission's funding to stabilize its due diligence to the public agencies it serves.
- The subcommittee was directed to review specific subsections of the PCC that affect the Commission's efforts and governance of the Act.

c/o: State Controller's Office  
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These changes will help the Commission to maintain complete membership, provide for orderly transitions, and effectively carry out its responsibilities. The Commission recommended to the State Controller, Betty T. Yee, that she increase bid limits as prescribed in PCC section 22032. The State Controller approved the recommendation in December 2017.

Proposed changes to the PCC are under review by the Commission and SCO's Legislation Unit and will be submitted to the Legislature for review in the 2018-19 legislative session as needed.

Respectfully submitted,

*Will Clemens*

Will Clemens, Chair  
California Uniform Construction Cost Accounting Commission

cc: State Controller's Office

c/o: State Controller's Office  
Local Government Policy Section  
P.O. Box 942850, Sacramento, CA 94250  
Phone: 916-327-8905 \* Fax: 916-327-3162

CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING  
ACT FREQUENTLY ASKED QUESTIONS (FAQs)

CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING  
ACT FREQUENTLY ASKED QUESTIONS (FAQs)

These FAQs have been compiled to assist agencies that are participating in the California Uniform Public Construction Cost Accounting Act ("the Act"). Public Contract Code section 22000 et seq., unless stated otherwise, all references are to the Public Contract Code.

Item 8A

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1. ~~1~~-What is the Uniform Public Construction Cost Accounting Act?

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The Act is legislation that was enacted in 1983 to help promote "uniformity of the cost accounting standards and bidding procedures on construction work performed or contracted by public entities in the state." Section 22001. The Act is a voluntary program that is available to all public entities in the State but it only applies to those public agencies that have "opted in" to the provisions set forth by the Act. The entirety of the Act is found at Sections 22000-22045.

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2. ~~2~~-What are some of the key provisions of the Act?

The Act allows for public project work in the amount of \$45,000 or less to be performed by the public agency's force account, by negotiated contract, or by purchase order. Section 22032(a). Public projects in the amount of \$175,000 or less can use the informal bidding procedures set forth in the Act in Section 22032(b). Public projects at a cost of more than \$175,000 shall use formal bidding procedures to let the contract pursuant PCC Section 22032(c).

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3. ~~3~~-What are the benefits of the program?

- a) Increased force account limit.
- b) Simplified bidding for projects that are \$175,000 or less.
- c) Reduces the number of formal bids.
- d) Expedited contracting for small projects.

Commented [GH1]: The answer was very wordy and ambiguous to me. I just tried to make it more readable and relevant. No attempt to change any meanings here.

Many participants laud the program because it gives them more leeway in the execution of public works projects; has speeded up the awards process; has expedited improved timeliness of the project delivery completion; has reduced the time, effort and expense associated with bidding small projects; eliminated considerable red tape and cumbersome paperwork relative to advertising and filing of reports; and has simplified administration. Few agencies have experienced Many agencies have encountered only minimal challenges with the accounting requirements and the overhead provision section. Moreover, where required, the adjustment was relatively simple; most of the required procedures were already actually in place, so there was no noticeable change in the existing operations. The Standard Accounting Codes Structure will satisfy the reporting requirements when used properly.

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CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING  
ACT FREQUENTLY ASKED QUESTIONS (FAQs)

**Item 8A**

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4. ~~4.~~ Is the Uniform Public Construction Cost Accounting Act mandatory for public agencies?

No. The Act is a voluntary program

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5. ~~5.~~ How does a public agency become subject to the Act?

The governing body must elect by resolution to become subject to the Act and file a copy of the resolution with the State Controller's Office, Section 22030. Sample documents are available at: [http://www.sco.ca.gov/ard\\_cuccac.html](http://www.sco.ca.gov/ard_cuccac.html). Once an agency has opted into the Act it will remain a part of the program.

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6. ~~6.~~ May a public agency withdraw from the Act?

Yes. An agency may withdraw from the Act by filing a resolution of the agency's election to withdraw with the State Controller's Office.

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7. ~~7.~~ What is the California Uniform Construction Cost Accounting Commission?

It is the Commission created to administer the Act. Section 22010. It consists of fourteen (14) members: thirteen (13) members are appointed by the State Controller and one is a designated member of the Contractors' State License Board. Seven members represent the public sector (counties, cities, school districts, and special districts). Six members represent the private sector (public works contractors and unions). The Commission members receive no salary, but are eligible for reimbursement of their direct expenses related to the Commission.

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8. ~~8.~~ What are the Uniform Public Construction Cost Accounting Procedures?

They are procedures ~~that are to be used to track costs for work done by an Agency's own forces on a "project" as defined by the Act (section 22002(c)). They do not apply to operations or maintenance work or any work that meets the criteria listed in 22002(d).~~

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~~These procedures are intended to be used to estimate costs for determining if a public project is required to be bid out and to capture and record all direct and indirect labor, materials, and supervision costs as well as the appropriate overhead actual costs for the when a public project is performed by the agency associated with each "project" they perform with their own forces. As own work force found at [www.sco.ca.gov/ard\\_cuccac.html](http://www.sco.ca.gov/ard_cuccac.html). The procedure follows normal accounting in the industry standard accounting methods and in many cases are not much different from those already in place at the agency. Sample forms are available in the CUCCAC Cost Accounting Policies and Procedures Manual at [http://www.sco.ca.gov/Files-ARD-Local/CUCCAC\\_Manual.pdf](http://www.sco.ca.gov/Files-ARD-Local/CUCCAC_Manual.pdf)~~

School districts may use the Standard Accounting Code Structure to comply with the tracking requirements.

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9. ~~9.~~ Are the cost accounting policies and procedures applicable for agencies whose work force only performs maintenance tasks as defined in the Act and that contract all of its public projects to third parties?

Commented [GH2]: This is a common and important question. I think it should be answered more directly. The first sentence is the only necessary answer. The last two sentences are answered by the question.

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CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING  
ACT FREQUENTLY ASKED QUESTIONS (FAQs)

Item 8A

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No. The cost accounting ~~policies and~~ procedures are only applicable for agencies that perform public project work such as construction and alteration by force account. Since maintenance does not constitute a "project" under the Act, the cost accounting procedures do apply to such work. ~~This does not exclude from the program agencies whose public projects are all contracted out. In fact, they might want to review the benefits available and elect to participate now in the event conditions change at some time in the future.~~

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**10. Are agencies required to advertise in November if they choose to maintain a list of qualified contractors?**

Yes. 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 list or update its existing list of qualified contractors by mailing, faxing, or emailing a written notice to all construction trade journals designated for that Agency under Section 22036. The notice shall invite 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. ~~W~~

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**11. May an agency that chooses to maintain a list add a contractor at any time during the year or can they only register from November to January?**

Yes. 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

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**12. What is meant by the term "qualified contractors" as used in section 22034(a)(1) of the # pertains to the Act?**

Qualified contractors are legally qualified contractors who are licensed by the State to perform the subject work. ~~perform work as a licensed contractor. In addition, (T~~ The Commission has determined that nothing in the Act prohibits a participating agency from ~~at their discretion,~~ using an objective pre-qualification process in the formation and maintenance of their Qualified Contractors lists if they so desire.

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**13. Can a public agency disqualify or exclude certain contractors from the Qualified Contractors List required in Section 22034(a)(1)?**

Agencies may disqualify contractors from the Qualified Contractors List when a contractor fails to furnish information to meet the minimum criteria as established by the Commission.

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**14. For agencies that do not maintain an informal bidders list, are they allowed to choose who will get notifications on information projects?**

No. Section 22034(a)(2) provides for notifications to construction trade journals and exchanges in lieu of sending notifications to contractors on an informal bidders list. An agency may however, send notices to selected contractors provided it has first met the advertisement requirements of section 22034(a).

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Commented [GH4]: There is nothing wrong with having preferred contractors and sending them a bid package as long as the rest of the rules are followed. I get this question from time to time.

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CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING  
ACT FREQUENTLY ASKED QUESTIONS (FAQs)

**Item 8A**

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15. ~~13.~~ What is the difference between qualifying contractors under the Act and prequalification of contractors under Section 20101 by school districts?

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Commented [GH5]: This question should be changed so it is clear that it applies only to school districts. Every time I read it I get confused and open the PCC only to remember it only applies to schools.

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Qualifying contractors is a process that allows contractors to register with a public agency for notification of public works opportunities. The prequalification process under Section 20101 is a more complex process that requires a standardized questionnaire and evaluation of contractors using standard scoring criteria and does not apply to the Act. The prequalification process is applicable under the Local Agency Public Construction Act.

16. ~~14.~~ Must a public agency: (1) Notify contractors about public projects if the contractor is believed to not have the skills, credentials, or experience to perform the work required for the public project? (2) Consider bids submitted by a contractor that the public agency believes does not have the skills, credentials, or experience to perform the work?

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- a) Yes. If a contractor is on the Qualified Contractors List the contractor must be notified by the agency of public projects for which he is licensed to perform. Section 22034(a)(1)  
b) All bids received must be considered unless an agency makes appropriate legal findings that a contractor is not legally responsible or their bid is not responsive. ~~Yes. All bids received from qualified contractors must be considered. Section 22034(a)(1).~~

Commented [GH6]: Yes is not a correct answer. This is really outside the Act but it is ok to answer it since it does get asked. We just need to answer correctly.

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17. ~~15.~~ Does the Act allow flexibility in cases of emergency and when repair or replacements are necessary to permit the continued conduct of the operations or services of a public agency?

Yes. For the purposes of the Public Contract Code, "emergency" is defined at Section 1102 as "a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services."

Commented [GH7]: Since the response is so long, I really like to answer the question before explaining.

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The Act sets forth in Section 22035(a) how a governing body would proceed in the case of emergency repairs or replacements. This section states, "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." Section 22050 et seq., provides the emergency contract procedures to be followed in these cases.

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18. ~~16.~~ Do the alternative bidding procedures apply only to public projects as defined in Section 22002(c)?

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No. ~~The alternative bidding procedures only apply to work which constitutes a "public project" as defined by section 22002(c) and has a construction cost that is within the limits contained in section 22032. The alternative bidding procedures are not required to be used for the purchase of goods or materials which are not part of a "public project".~~

However, as outlined in section 22003, a participating agency may also use the alternative bidding procedures when contracting for maintenance or other work that does not fall within the definition of a "public project" if it chooses.

CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING  
ACT FREQUENTLY ASKED QUESTIONS (FAQs)

**Item 8A**

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~~The alternative bidding procedures can be used when contracting for "maintenance work" as defined at Section 22002(d) or when contracting for other work that does not fall within the definition of "public work" as defined in Section 22002(c).~~

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19. ~~17.~~ What will membership in the Act cost my agency?

Nothing. There are no membership fees or dues. However, the Commission does accept grants to assist it in carrying out its duties. Section 22015(c).

20. ~~18.~~ What are the most common concerns addressed by the Act?

These are:

- a) Cost accounting policies and procedures;
- b) Informal bidding procedures;
- c) Accounting procedures review.

Commented [GH8]: Tightened up the wording and removed the sentence about a Qualified Contractors List since that is now optional.

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The cost accounting requirements follow those common to the construction industry. The informal bidding on public projects up to \$175,000 is seen by the agencies as an effective tool to expedite completion of small projects, asset enhancing project completion. ~~Maintenance of a Qualified Contractor Bid List is routine, since interested contractors make it a point to be included on the list.~~ While an accounting procedures review could potentially hold up a project for a minimum of 45 days pursuant to Section 22043(c)(1), these types of reviews have been rare in the Commission's history.

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21. ~~19.~~ Does an agency have to calculate an overhead rate in order to apply the accounting procedures?

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No. Cities with populations of less than 75,000 shall assume an overhead rate equal to 20% of the total costs of the public project, including the costs of material, equipment and labor. Section 22017(b)(1). Cities with a population of more than 75,000, may either calculate an actual overhead or assume an overhead rate of 30% of the total costs of a public project including the costs of material, equipment and labor. Section 22017(b)(2).

22. ~~20.~~ When a public entity opts into the Act, does the Act supersede other contracting legal requirements such as statutory requirements for performance bonds, prevailing wages, and certificates of insurance, etc.?

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No. The Act only supersedes the bidding procedures used once a public agency has opted into the Act and has notified the Controller. All other contracting requirements are applicable.

23. ~~21.~~ Can a public agency, claim to be to be exempt from following all of the requirements in the Public Contract Code by claiming they only have to follow the language and procedures within the Act?

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No. The Act is part of the Public Contract Code therefore, if the Act is silent on a particular matter the rest of the Public Contract Code would apply.

Commented [GH9]: Answer then explain.

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CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING  
ACT FREQUENTLY ASKED QUESTIONS (FAQs)

**Item 8A**

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24. ~~22.~~ If public agencies are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?

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Commented [GH10]: With the last set of legislative changes, this answer changed from a No to a qualified yes. #4 covers the bidding requirements of the Act.

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Yes. Recent legislative changes have expanded the Commission's authority in enforcing provisions of the Act. ~~The No. The Commission may cannot review any complaint of improper advertising by any public agency. The Commission can only review a complaint filed by an interested party where evidence is provided that the accounting procedures of a public agency when a complaint from an interested party provides evidence that the participating agency:~~

1. Performs work, after rejecting all bids, claiming it can do it less expensively. (Section 22042(a))
2. The work performed exceeded the force account limits. (Section 22042(b))
3. The work has been improperly classified as maintenance. (Section 22042(c))
4. A public agency is ~~has not complied with~~ accused of not complying with the informal bidding procedures set forth at Section 22034. (Section 22042.5)

25. ~~23.~~ Section 20112 specifically requires school districts to advertise twice for a two week period, while Section 22037 requires advertising once, 14 days in advance of the date of opening of bids. How do participating school districts reconcile this conflict?

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When the Act is in conflict with any other section in the Public Contract Code, the Act shall supersede. Advertising once, 14 days in advance of the date of opening of bids is what is required by the Act. Districts participating in the Act may choose to maximize their outreach by continuing to advertise twice.

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26. ~~24.~~ May a public agency contract separately for like work at the same site at the same time using the under \$45,000 Force Account method?

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No. Section 22033 provides that, "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". Separating "like work" would only be permitted as long as the total of all the "like work" is less than \$45,000. If the work is more than \$45,000, the work needs to be advertised and bid according to the provisions of the Act (i.e. bid informally if the total amount is less than \$175,000 and bid formally if the total amount exceeds \$175,000).

27. ~~25.~~ May a public agency bid out 2 separate projects that occur at the same time and site, but are different types of work?

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Yes, there is no violation if the work is being competitively bid. If the agency wants to use the negotiated or informal bidding processes, the agency must apply the appropriate limits to each of the projects. Each project must be separate in scope. Projects may not be separated by trade to avoid bidding. If the total of all jobs is greater than \$45,000; the informal or formal bid limits will apply.

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CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING  
ACT FREQUENTLY ASKED QUESTIONS (FAQs)

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28. ~~26.~~ Does a value need to be assigned to the volunteer labor when the California Conservation Corps, or some such volunteer organization provides volunteer labor on a public project?

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—No. Volunteer labor from the California Conservation Corps, or some such volunteer organization does not need to be included as a cost of a public project for bid limits purposes where no costs are associated with the volunteer labor.

29. ~~27.~~ Does a public agency by opting into the Act, automatically bring all departments of the public agency into the Act?

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Yes. When a public agency elects to become subject to the uniform construction cost accounting procedures, the entire legal entity is considered subject to the Act and no divisions or departments will be exempt.

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30. ~~28.~~ When a public agency opts into the Act, does it automatically bring all districts under control of the Board into the Act?

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No. Special Districts, which are governed by a board of supervisors or city council, are only subject if a separate election is made for each special district.

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31. ~~29.~~ PCC 22034 requires that participating agencies adopt an Informal Bidding Ordinance. What do schools and special districts that cannot adopt Ordinances do to comply?

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Since some agencies do not have the ability to adopt Ordinances, those agencies The Commission cannot provide legal advice. The school districts and special districts should check with their own legal counsel on how to comply with Section 22034.

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32. Must a participating agency opt in to the Act annually?

Once a participating agency opts in to the Act, upon resolution, the agency is subject to the Act until the agency opts out of the Act. Therefore, it is unnecessary to opt in annually.

Additional inquiries and questions can be directed to:

State Controller's Office

Local Government Programs and Services Division

Local Government Policy Section

P.O. Box 942850

Sacramento, CA 94250

or email [LocalGovPolicy@sco.ca.gov](mailto:LocalGovPolicy@sco.ca.gov)

**Item 8B(ii)(1) \***

**Addition to Manual – May 2018 – Registered Contractors List**

1.05 Minimum Criteria for Development and Maintenance of the Contractor's List Determined by the Commission, pursuant to Public Contract Code section 22034(a)(1)

1. ~~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 list or update its existing list of qualified contractors by mailing, faxing, or emailing a written notice to all construction trade journals designated for that Agency under Section 22036. The notice shall invite 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. 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 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.~~
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).
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 in response to the written notice at any time during the preceding calendar 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.

Item 8B(ii)(2) \*

Accounting Procedures Review Process

1.08 Accounting Procedures Review

A. Pursuant to the provisions of Public Contract Code (PCC) 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:

- 1) 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.
- 2) It exceeded the force account limit.
- 3) It has been improperly classified as maintenance.

B. 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.

~~C. If an inquiry comes to the State Controller's Office (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 Frequently Ask Questions as appropriate.~~

~~D.~~ Request for Accounting Procedures Review

- 1) Pursuant to ~~Public Contract Code~~ PCC section 22043(a)(b), in those circumstances as set forth in ~~subdivision (a) of PCC~~ section 22042(a)(b)(c) ~~above~~, a request for Commission review shall be in writing. ~~The request shall be sent via postal mail, by certified or registered mail, and received by the Commission and/or State Controller's Office (SCO) staff postmarked no later than eight business days from the date the public agency has rejected all bids (PCC § 22042(a)) or from the date an interested party formally complains in writing to the public agency (PCC § 22042(b)(c)).~~
- 2) ~~In those circumstances set forth in subdivision (b) or (c) of section 22042, a request for Commission review shall be in writing, sent to the Commission by certified or registered mail, postmarked no later than eight business days from the date an interested party formally complains in writing to the public agency.~~
- 3) The address for purpose of ~~request for Commission review notice herein is:~~

CALIFORNIA UNIFORM CONSTRUCTION COST ACCOUNTING COMMISSION  
c/o: Office of the State Controller  
Local Government Programs and Services Division  
Local Government Policy Section  
P.O. Box 942850  
Sacramento, CA 94250

- 4) Such written notice ~~from an interested party~~ shall include the following information:

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**Item 8B(ii)(2)**

a) The name, address, phone number, and contact person of the interested party as defined on page 20, and person to be contacted presenting evidence.

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b) An indication that work undertaken by the public agency falls within one of the following categories:

1) 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.

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2) It exceeded the force account limits.

3) It has been improperly classified as maintenance.

c) The name, address, and phone number of the public agency involved.

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d) The project name, location, or other project identification number.

e) The bid date and rejection date, if ~~application~~ applicable.

f) The low bid dollar amount, if applicable.

g) The agency estimate, if available.

h) Other documentation supporting the request. If the requestor is unable to obtain information from the participating agency, the request should so note the 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 SCO. Incomplete review requests may affect the ability of the Commission to render a timely decision.~~

~~54)~~ 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.

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~~FD.~~ 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:

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1) They shall submit resumes including experience to the Commission for prequalification.

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

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

~~FE.~~ Immediately upon receipt of a request for Accounting Procedures Review, SCO staff will forward all documentation to the -the Chairperson. The Chairperson shall assign it to a working group consisting of two or more Commissioners, not to constitute a quorum. Each working group must have both private and public representations. Any correspondence received by SCO staff during the review will be immediately forwarded to the Chairperson and the members of the working group.

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1) 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. Agencies failing to cooperate fully, through either unwillingness or inability, may be found to be non-compliant.

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**Item 8B(ii)(2)**

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2) If the work group deems it necessary, it may utilize the SCO audit division or a consultant deemed qualified for the purpose of this investigation review. The auditor or consultant will conduct a thorough investigation review of the facts surrounding the claim. This investigation review may include any fieldwork 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.

3) The auditor or consultant, if utilized, shall prepare written findings and a recommended decision within the timeframes established in PCC section 22043.

4) The statutory limit to complete the account review begins the day the request is received by the SCO. Incomplete review requests may affect the ability of the Commission to render a timely decision. Pursuant to PCC section 22043(c), the commission review shall commence immediately and conclude within the following number of days from the receipt of the request for commission review:

- (a) Forty-five days for a review that falls within subdivision (a) of section 22042.
- (b) Ninety days for a review that falls within subdivision (b) or (c) of section 22042.

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During the review of a project that falls within PCC 22042(a), the agency shall not proceed on the project until the final decision is received by the commission.

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F. The review will be added, as an agenda item to be discussed by the Commission, at a public meeting held within the timeframe established in PCC section 22043. All documentation and correspondence received related to the review will be included. Any documentation and correspondence received after the agenda has been posted to the SCO website will immediately be forwarded to each Commission member and available for public review at the meeting.

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G. 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 the timeframes established in PCC section 22043. 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 by SCO staff within the timeframes established in PCC section 22044. A copy shall also be provided to each Commission member and included for information as part of the subsequent Commission meeting agenda.

H. Decisions on Accounting Procedures Reviews shall be collected and maintained by SCO staff 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.

I. If the commission makes a finding, in accordance with PCC 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. As a result, the public agency shall not use the bidding procedures provided by this article for five years from the date of the commission's findings. Pursuant to Public Contract Code section 22044.5, if the Commission makes a finding(c) 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 five years from the date of the commission's finding. 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.

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**Item 8B(ii)(2)**

J. Changes to statutory law shall be deemed appropriate and to be automatically adopted into these procedures.

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## CHAPTER 3 UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING POLICIES AND PROCEDURES

### Uniform Public Construction Cost Accounting Policies and Procedures

The California Uniform Construction Cost Accounting Commission (CUCCAC ~~or the Commission~~) 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.

Inquiries regarding the program and/or the policies and procedures, may be sent to the State Controller's Office (SCO) unit mailbox – [LocalGovPolicy@sco.ca.gov](mailto:LocalGovPolicy@sco.ca.gov). Once an inquiry is received by SCO staff, it will be reviewed and a draft response is to be sent to the Chair of the Commission. The Chair may appoint one or more Commissioners, not to constitute a quorum, from the public and/or private sectors to assist with responding to the inquiry in a timely manner. The Chair will provide feedback as necessary and SCO staff will send the response to the inquirer in a timely manner. A summary of inquiries are to be reviewed at the following CUCCAC meeting by the Commissioners for incorporation into the Frequently Asked Questions as appropriate.

*California Uniform Construction Cost Accounting Commission*

Will Clemens  
Director  
Central Services Department  
County of San Luis Obispo  
Counties  
Chair-CUCCAC

Michael R. Hester  
President  
McGuire and Hester  
Subcontractors  
Vice Chair-CUCCAC

Nathaniel Holt  
Chief Facilities Officer & Bond  
Program Director  
Compton Unified School District  
School Districts  
Secretary-CUCCAC

Linda Clifford  
California State License Board  
Appointed

Guiselle Carreon  
Commercial Warrants &  
Accounts Payable Manager  
San Diego County Office of  
Education  
School Districts

George R. Hicks Director  
of Public Works City  
of Fairfield  
Cities

Jeff Armstrong  
Apprenticeship Director  
Northern CA Laborers' Union  
Labor

Eddie Bernacchi  
President  
NECA, Politico Group  
Subcontractors

Robert R. Campbell  
Auditor-Controller  
County of Contra Costa  
Counties

John Nunan  
Chief Executive Officer  
Unger Construction Company  
General Contractors

Paavo Ogren  
General Manager  
Oceano Community  
Special Districts

Steven L. Hartwig  
Deputy Public Works Director  
City of American Canyon  
Cities

Ken A. Kayser  
Construction Consultant  
General Contractors

March 7, 2018

Kevin Doble, Mayor  
City of Ukiah  
300 Seminary Avenue  
Ukiah, California 95472

RE: CUCCAC Action – February 15, 2018

Dear Mayor and City Councilmembers:

On or about November 29, 2017 the North Coast Builders Exchange (NCBE) filed a formal complaint against the City of Ukiah with the California Uniform Construction Cost Accounting Commission (Commission) related to the construction of upgrading and installing new manholes which cost, according to the NCBE's complaint, exceeded the force account limits under the Act per Public Contract Code (PCC) Section 22042(b). The NCBE further stated that the City of Ukiah failed to keep accurate records of estimates, personnel and equipment costs as required by the Act.

A two-person working group of the Commission was assigned to review the complaint and relate their findings for the full Commission's consideration at the February 15, 2018 meeting in Sacramento, California.

The working group reviewed the information provided by NCBE as well as from the City of Ukiah. While the City was aware that the complaint had been filed, the City did not provide any information to the Commission until immediately before the CUCCAC meeting on February 15, 2018.

The working group gave its report at the February 15, 2018 meeting of the Commission. In addition, NCBE and the City of Ukiah's legal counsel and Public Works Director Tim Eriksen attended and spoke at the meeting.

Copies of the City's accounting records were provided to the Commission by NCBE and by Mr. Eriksen. The Commission found that neither set of accounting records were complete. Costs were missing so that determination of total and/or individual costs of the manhole installations in question was not possible. In addition, minutes of City Council meetings were insufficient to determine whether a full discussion of the actual or estimated cost of the work was provided to the City Council.

c/o: State Controller's Office  
Local Government Policy Section  
P.O. Box 942850, Sacramento, CA 94250  
Phone: 916-327-8905 \* Fax: 916-327-3162

*California Uniform Construction Cost Accounting Commission*

Will Clemens  
Director  
Central Services Department  
County of San Luis Obispo  
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Northern CA Laborers' Union  
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Deputy Public Works Director  
City of American Canyon  
Cities

Ken A. Kayser  
Construction Consultant  
General Contractors

Mr. Eriksen noted that the City had instituted a committee to review the City's procedures for complying with the Act because the City had been found to have violated section 22042 of the Act on two previous occasions within the past ten years. Mr. Eriksen stated that the committee met but had no minutes of the meetings.

The Commission found that the City of Ukiah had not violated section 22042 (b) of the Act, however, various commissioners expressed their concern that the City's procedures and processes are not sufficient to ensure compliance with the Act. The Commission urges the City of Ukiah to institute formal procedures as soon as possible that will ensure compliance with the Act which include, at a minimum, preparation of formal cost estimates and maintain detailed, complete accounting records which include all direct and indirect costs of the project(s) regardless of whether the work is bid informally or formally or performed by force account.

One of the Commission's goals is to assist public agencies in complying with the Act which greatly benefits both public agencies and the construction industry. There are resources that can assist the City in complying with the Act. The CUCCAC Cost Accounting Policies and Procedures Manual is available at [https://www.sco.ca.gov/ard\\_cuccac.html](https://www.sco.ca.gov/ard_cuccac.html).

Should you have any questions, please do not hesitate to contact me at (805) 781-5051.

Sincerely,

*Will Clemens*  
Will Clemens  
Chair

c/o: State Controller's Office  
Local Government Policy Section  
P.O. Box 942850, Sacramento, CA 94250  
Phone: 916-327-8905 \* Fax: 916-327-3162

*California Uniform Construction Cost Accounting Commission*

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Director  
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California State License Board  
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Special Districts

Steven L. Hartwig  
Deputy Public Works Director  
City of American Canyon  
Cities

Ken A. Kayser  
Construction Consultant  
General Contractors

March 7, 2018

Jay Sarno, Mayor  
City of Santa Fe Springs  
11710 E. Telegraph Road  
Santa Fe Springs, California 90670

RE: CUCCAC Action – February 15, 2018

Dear Mayor and members of the City Council:

On or about February 1, 2018 the Construction Industry Force Account Council (CIFAC) filed a formal complaint against the City of Santa Fe Springs with the California Uniform Construction Cost Accounting Commission (Commission) related to the Clarke Estate Restoration Project (Project). The complaint alleged a violation of the Uniform Public Construction Cost Accounting Act (Act), which generally provides local agencies with greater flexibility in performing projects under \$175,000 and especially those projects under \$45,000.

According to the CIFAC complaint, the city exceeded the force account limits under the Act as provided in Public Contract Code (PCC) Section 22042(b). For those projects defined by PCC 22002, projects greater than \$45,000 generally cannot utilize force account labor (City employees). Exceeding the maximum project amount is permissible provided that the procedural and technical requirements of PCC 22038 are met.

A two-person working group of the Commission was assigned to review the complaint and relate their findings for the full Commission's consideration at the February 15, 2018 meeting in Sacramento, California.

The working group reviewed the information provided by CIFAC as well as from the City of Santa Fe Springs. The Commission found in favor of the complaint filed by CIFAC because Public Contract Code 22038 required the City to adopt a resolution by a 4/5ths vote including a declaration that the project "can be performed more economically by the employees of the public agency" prior to utilizing force account labor on the Project.

The Commission's review recognized that the City did advertise and receive bids on multiple occasions for the Project. The information reviewed by the Commission indicated that in October 2016 the City Council agenda included an item to consider another solicitation to bid portions of the Project. That agenda item was either pulled or not approved. Although the City Council again considered the Project in December 2017, and unanimously approved action to utilize force account labor, the December action procedurally should have been presented to the City Council with a resolution prior to

c/o: State Controller's Office  
Local Government Policy Section  
P.O. Box 942850, Sacramento, CA 94250  
Phone: 916-327-8905 \* Fax: 916-327-3162

*California Uniform Construction Cost Accounting Commission*

Will Clemens  
Director  
Central Services Department  
County of San Luis Obispo  
Counties  
Chair-CUCCAC

Michael R. Hester  
President  
McGuire and Hester  
Subcontractors  
Vice Chair-CUCCAC

Nathaniel Holt  
Chief Facilities Officer & Bond  
Program Director  
Compton Unified School District  
School Districts  
Secretary-CUCCAC

Linda Clifford  
California State License Board  
Appointed

Guiselle Carreon  
Commercial Warrants &  
Accounts Payable Manager  
San Diego County Office of  
Education  
School Districts

George R. Hicks Director  
of Public Works City  
of Fairfield  
Cities

Jeff Armstrong  
Apprenticeship Director  
Northern CA Laborers' Union  
Labor

Eddie Bernacchi  
President  
NECA, Politico Group  
Subcontractors

Robert R. Campbell  
Auditor-Controller  
County of Contra Costa  
Counties

John Nunan  
Chief Executive Officer  
Unger Construction Company  
General Contractors

Paavo Ogren  
General Manager  
Oceano Community  
Special Districts

Steven L. Hartwig  
Deputy Public Works Director  
City of American Canyon  
Cities

Ken A. Kayser  
Construction Consultant  
General Contractors

initiating the Project work performed by City employees, which occurred between the two agenda dates.

The Commission also discussed the Project costs that the City incurred in self-performing the work as compared to the bids that had been previously received. The Commission did not make any findings or determinations whether the Project would have been more economical by proceedings with contractor bids versus self-performance.

The City is required to address our findings in accordance with Public Contract Code 22044 (b). Please confirm compliance with these requirements by forwarding a copy of the minutes of any meetings at which this matter is considered.

Please send a copy of the minutes to:

California Uniform Construction Cost Accounting Commission  
Office of the State Controller  
Local Government Policy Section  
P. O. Box 942850  
Sacramento, CA. 94250  
ATTENTION: Alexandria Green

Please understand that if the Commission finds that the City is in non-compliance with the Act on three (3) separate occasions within a 10-year period, based on the Commissions limited purview under PCC 22043, the City would not be eligible to utilize the alternative bidding procedures for a five-year period. The primary benefit that the alternative bidding procedures provide is more flexibility in implementing projects under \$175,000.

Although we found in favor of CIFAC, we want to express our appreciation for the City's responsiveness to our inquiries and review. The City Attorney and Public Works Director's attendance at our meeting was very helpful, and in turn, one of the Commissioners has indicated a willingness to attend the City Council meeting to discuss.

We wish the City the best in its restoration and use of the Clarke Estate and applaud the City's effort to preserving an important historical landmark. Should you have any questions, please do not hesitate to contact me at (805) 781-5051.

Sincerely,

*Will Clemens*

Will Clemens  
Chair

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