

# California Uniform Construction Cost Accounting Commission

## Meeting Agenda

June 20, 2013  
9:30AM to 2:00PM

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

### Locations

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

Moreno Valley Unified School District Office  
25634 Alessandro Boulevard  
Moreno Valley, CA 92553

320 East Balboa Blvd  
Newport Beach, CA 92661

1. **Call to Order**
2. **Introductions**
3. **Oath of Office**
4. **Approval of the Minutes for the Meeting of August 29, 2012 (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 (Refer to attachment Item 7a)**
  - a. SCO legal opinion on AB 1598 in process.
8. **Commissioner Comments/Requests/Questions**

## California Uniform Construction Cost Accounting Commission

### **9. Old Business (Refer to attachments Items 9c, 9d, 9e, 9f, and 9g)**

- a. Commission Dildine has tendered his resignation from the Commission effective July 1, 2014. The search for a replacement will begin immediately.
- b. List of account reviews completed by the Commission to be posted on the SCO website.
- c. Sample donation letter distributed to all board members for solicitation to potential donors.
- d. Amendments to CUCCAC bylaws (commissioner terms, designated meeting locations, etc.) to be approved and posted on the SCO website.
- e. Commission discussion and approval of updated FAQs to be posted on the SCO website.
- f. Create a sample ordinance template in Word to be posted on the SCO website.
- g. Revisions to the Manual to be posted on the SCO website.
- h. Selection of new Vice-Chair.

### **10. New Business (Refer to attachments Items 10a and 10b)**

- a. Allowing agencies who have recently joined the Act time to prepare a list of qualified bidders. Currently, page 7 of the manual states that agencies must update their list every November for inclusion in the next year.
  - i. What if an agency joins in November/December? What if an agency joins in March? Would they not have to update until that November?
  - ii. What if an agency recently joins the Act and needs to put a project out for bid before they have the time to put together a list of qualified bidders? Could a procedure be developed to allow exceptions for this to be made on a case by case basis?
- b. Mendocino County's declaration of work pursuant to PCC 22030 and Construction Industry Force Account Council's position to the legality of the work.

### **11. Annual Report to the Legislature (Refer to attachment Item 11a)**

- a. Annual Report: The report to the Legislature for the year ending 06/30/13 is due.

### **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 Programs and Services  
Divisions 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.

## **AB-1598 Public contracts: public works: installation.(2011-2012)**

[Text](#) [Votes](#) [History](#) [Bill Analysis](#) [Today's Law As Amended](#) [Compare Versions](#) [Status](#)  
[Comments To Author](#)

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### **Bill Start**

#### **Assembly Bill No. 1598 CHAPTER 810**

An act to amend Section 1720 of the Labor Code, relating to public contracts.

[ Approved by Governor September 30, 2012. Filed with Secretary of  
State September 30, 2012. ]

### **LEGISLATIVE COUNSEL'S DIGEST**

AB 1598, Buchanan. Public contracts: public works: installation.

Existing law defines the term “public works” for purposes of requirements regarding the payment of prevailing wages. Existing law generally defines “public works” to include construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds. Existing law makes a willful violation of laws relating to the payment of prevailing wages on public works a misdemeanor.

This bill would modify the definition of installation to include the assembly and disassembly of freestanding and affixed modular office systems. Because this bill would expand the definition of a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.



## **Digest Key**

Vote: MAJORITY Appropriation: NO Fiscal Committee: YES Local Program: YES

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## **Bill Text**

# **THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

### **SECTION 1.**

Section 1720 of the Labor Code is amended to read:

1720.

(a) As used in this chapter, "public works" means:

(1) Construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority. For purposes of this paragraph, "construction" includes work performed during the design and preconstruction phases of construction, including, but not limited to, inspection and land surveying work. For purposes of this paragraph, "installation" includes, but is not limited to, the assembly and disassembly of freestanding and affixed modular office systems.

(2) Work done for irrigation, utility, reclamation, and improvement districts, and other districts of this type. "Public work" does not include the operation of the irrigation or drainage system of any irrigation or reclamation district, except as used in Section 1778 relating to retaining wages.

(3) Street, sewer, or other improvement work done under the direction and supervision or by the authority of any officer or public body of the state, or of any political subdivision or district thereof, whether the political subdivision or district operates under a freeholder's charter or not.

(4) The laying of carpet done under a building lease-maintenance contract and paid for out of public funds.

(5) The laying of carpet in a public building done under contract and paid for in whole or in part out of public funds.

(6) Public transportation demonstration projects authorized pursuant to Section 143 of the Streets and Highways Code.

(b) For purposes of this section, "paid for in whole or in part out of public funds" means all of the following:

- (1) The payment of money or the equivalent of money by the state or political subdivision directly to or on behalf of the public works contractor, subcontractor, or developer.
- (2) Performance of construction work by the state or political subdivision in execution of the project.
- (3) Transfer by the state or political subdivision of an asset of value for less than fair market price.
- (4) Fees, costs, rents, insurance or bond premiums, loans, interest rates, or other obligations that would normally be required in the execution of the contract, that are paid, reduced, charged at less than fair market value, waived, or forgiven by the state or political subdivision.
- (5) Money loaned by the state or political subdivision that is to be repaid on a contingent basis.
- (6) Credits that are applied by the state or political subdivision against repayment obligations to the state or political subdivision.

(c) Notwithstanding subdivision (b):

- (1) Private residential projects built on private property are not subject to the requirements of this chapter unless the projects are built pursuant to an agreement with a state agency, redevelopment agency, or local public housing authority.
- (2) If the state or a political subdivision requires a private developer to perform construction, alteration, demolition, installation, or repair work on a public work of improvement as a condition of regulatory approval of an otherwise private development project, and the state or political subdivision contributes no more money, or the equivalent of money, to the overall project than is required to perform this public improvement work, and the state or political subdivision maintains no proprietary interest in the overall project, then only the public improvement work shall thereby become subject to this chapter.
- (3) If the state or a political subdivision reimburses a private developer for costs that would normally be borne by the public, or provides directly or indirectly a public subsidy to a private development project that is de minimis in the context of the project, an otherwise private development project shall not thereby become subject to the requirements of this chapter.
- (4) The construction or rehabilitation of affordable housing units for low- or moderate-income persons pursuant to paragraph (5) or (7) of subdivision (e) of Section 33334.2 of the Health and Safety Code that are paid for solely with moneys from the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Health and Safety Code or that are paid for by a combination of private funds and funds available pursuant to Section 33334.2 or 33334.3 of the Health and Safety Code do not constitute a project that is paid for in whole or in part out of public funds.
- (5) "Paid for in whole or in part out of public funds" does not include tax credits provided pursuant to Section 17053.49 or 23649 of the Revenue and Taxation Code.
- (6) Unless otherwise required by a public funding program, the construction or rehabilitation of privately owned residential projects is not subject to the requirements of this chapter if one or more of the following conditions are met:

(A) The project is a self-help housing project in which no fewer than 500 hours of construction work associated with the homes are to be performed by the home buyers.

(B) The project consists of rehabilitation or expansion work associated with a facility operated on a not-for-profit basis as temporary or transitional housing for homeless persons with a total project cost of less than twenty-five thousand dollars (\$25,000).

(C) Assistance is provided to a household as either mortgage assistance, downpayment assistance, or for the rehabilitation of a single-family home.

(D) The project consists of new construction, expansion, or rehabilitation work associated with a facility developed by a nonprofit organization to be operated on a not-for-profit basis to provide emergency or transitional shelter and ancillary services and assistance to homeless adults and children. The nonprofit organization operating the project shall provide, at no profit, not less than 50 percent of the total project cost from nonpublic sources, excluding real property that is transferred or leased. Total project cost includes the value of donated labor, materials, architectural, and engineering services.

(E) The public participation in the project that would otherwise meet the criteria of subdivision (b) is public funding in the form of below-market interest rate loans for a project in which occupancy of at least 40 percent of the units is restricted for at least 20 years, by deed or regulatory agreement, to individuals or families earning no more than 80 percent of the area median income.

(d) Notwithstanding any provision of this section to the contrary, the following projects shall not, solely by reason of this section, be subject to the requirements of this chapter:

(1) Qualified residential rental projects, as defined by Section 142(d) of the Internal Revenue Code, financed in whole or in part through the issuance of bonds that receive allocation of a portion of the state ceiling pursuant to Chapter 11.8 of Division 1 (commencing with Section 8869.80) of the Government Code on or before December 31, 2003.

(2) Single-family residential projects financed in whole or in part through the issuance of qualified mortgage revenue bonds or qualified veterans' mortgage bonds, as defined by Section 143 of the Internal Revenue Code, or with mortgage credit certificates under a Qualified Mortgage Credit Certificate Program, as defined by Section 25 of the Internal Revenue Code, that receive allocation of a portion of the state ceiling pursuant to Chapter 11.8 of Division 1 (commencing with Section 8869.80) of the Government Code on or before December 31, 2003.

(3) Low-income housing projects that are allocated federal or state low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code, Chapter 3.6 of Division 31 (commencing with Section 50199.4) of the Health and Safety Code, or Section 12206, 17058, or 23610.5 of the Revenue and Taxation Code, on or before December 31, 2003.

(e) If a statute, other than this section, or a regulation, other than a regulation adopted pursuant to this section, or an ordinance or a contract applies this chapter to a project, the exclusions set forth in subdivision (d) do not apply to that project.

(f) For purposes of this section, references to the Internal Revenue Code mean the Internal Revenue Code of 1986, as amended, and include the corresponding predecessor sections of the Internal Revenue Code of 1954, as amended.

(g) The amendments made to this section by either Chapter 938 of the Statutes of 2001 or the act adding this subdivision shall not be construed to preempt local ordinances requiring the payment of prevailing wages on housing projects.

**SEC. 2.**

No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

*California Uniform Construction Cost Accounting Commission*



June 20, 2013

Jeffery W. Armstrong  
Northern CA Laborers' Union  
Chairman-CUCCAC

Linda Clifford  
Chief Financial Officer  
C.C. Myers, Inc. - Contractor  
Secretary-CUCCAC

Eddie Bernacchi  
NECA, Politico Group  
Subcontractors

Guiselle Carreon  
Director of Purchasing  
Grossmont Union High School District  
Schools

George Hicks  
Director of Public Works  
City of Fairfield  
Cities

David A. McCosker  
Chairman of the Board  
Independent Construction Co.  
General Contractors

Lisa Miller-Strunk  
Contractors State License Board  
Appointed

Josie Ripoly  
Purchasing Director  
Moreno Valley Unified School  
District-Schools

Cesar Diaz  
Legislative Director  
State Building and Construction Trades  
Council  
Labor

Robert R. Campbell  
Contra Costa County  
Auditor-Controller

William R. Dildine  
Trojan Electric, Inc.  
Subcontractors

Lisa Ekers  
Port Director  
Santa Cruz Harbor  
Special Districts

Mr. Darryl Mar  
Analyst  
3301 C Street  
Sacramento, CA 95816

**RE: REQUEST FOR SUPPORT FOR THE CALIFORNIA UNIFORM PUBLIC  
CONSTRUCTION COST ACCOUNTING COMMISSION (CUCCAC)**

Dear Darryl,

As current members and officers of the Commission, we are asking you to join us on behalf of the Public Works Construction Contractors in supporting the CUCCAC with a contribution of \$2,500. This contribution strengthens the Commission's ability to ensure the even-handed application of the California Uniform Public Construction Cost Accounting Act as intended when it was enacted in 1983 --- more than 30 years ago.

Our industry has already experience many of the benefits of membership such as; the creation of the Cost Accounting Procedures Manual that mandates local governments use of the Public Contract Code and requires them to solicit bids. It includes rules that limit their use of force account or day labor to undertake public works construction and major maintenance that contractors should be doing.

As a member of our industry, you have access to a Commission whose composition is fairly balance between private and public sector representatives of the public works construction industry, and who can, almost always, settle accounting disputes keeping both sides out of court, thus avoiding expensive legal fees and lost time. The Commission also makes recommendations to the State Controller to determine force account limits and bidding thresholds as needed. Just a month ago, while the public sector was able to increase the formal bidding threshold to \$175,000 we were able to hold the lower limits at \$30,000 thus providing more opportunities for bidding.

Since its creation by the Legislature in 1983, except for the initial start-up costs, there has been no source of funding for the Act. All of the Commissioners have volunteered their time and have rarely received travel expense reimbursement. The funds we did receive were from individual Commission members. Commissioners did this gladly, but we now need your support in order to continue to provide these valuable services.

Your contribution will be used to: conduct cost accounting reviews with independent accounting consultants as complaints are filed, update the Cost Accounting Manual, maintain a website for easy access to the rules, work with the legislature, and

State Controller's Office-County Policy Section  
P.O. Box 942850, Sacramento, CA 94250  
Phone: 916-322-9105 \* Fax: 916-327-3162

*California Uniform Construction Cost Accounting Commission*



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Northern CA Laborers' Union  
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Port Director  
Santa Cruz Harbor  
Special Districts

periodically review force account and bidding rules to ensure that they are relevant and keeping pace with today's industry demands.

Please help us by making your check payable to the "State of California" and note in the memo portion "for CUCCAC".

Please send your contribution to:

ATTN: Darryl Mar  
State Controller's Office  
Division of Accounting & Reporting  
3301 C Street, Suite 740  
Sacramento, CA 95816

Thank you in advance for your support of this important work.

Sincerely,

Linda Clifford, Commissioner  
Secretary-Treasurer, CUCCAC  
C.C. Myers, Inc.

David A. McCosker, Commissioner  
2001 Chair, CUCCAC  
Independent Construction

## Item 9d - Proposed CUCCAC Commissioner Terms Limits Policy

### **Background:**

The topic of defining Commissioner term limits has come up in the last several meetings and has never been fully resolved. The term limits once decided upon, will be added to the Commission's bylaws and posted on the State Controller's Office website.

Commissioner terms are dictated by Public Contract Code (PCC) 22014:

- (a) The members of the commission shall hold office for terms of three years, and until their successors are appointed, except as otherwise provided for in this section.
- (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.
- (c) Members may be reappointed for subsequent terms of three years.
- (d) The Controller shall, within 90 days after the expiration of any term, appoint a replacement to fill the vacancy on the commission.

### **Problem:**

The issue is the interpretation of the phrase, "and until their successors are appointed," in subsection (a). How does the intermediary period, between the end of the three year term and the beginning of the successor's term, affect the subsequent term limits when Commissioners are reappointed or a new one is appointed?

**Proposed Options:**

The code section is vague and can be interpreted several ways. These are my interpretations:

- 1) Commissioner A is originally appointed February 1<sup>st</sup>, 2011, with their term ending January 31<sup>st</sup>, 2014. Commissioner A serves past January 31<sup>st</sup>, 2014, and is subsequently reappointed April 1<sup>st</sup>, 2014 with the term of Commissioner A ending on March 31<sup>st</sup>, 2017. If Commissioner B is chosen to replace Commissioner A, and is appointed April 1<sup>st</sup>, 2014. Commissioner B's term would end March 31<sup>st</sup>, 2017. (Option 1 is the existing disputed process.)
- 2) Commissioner A is originally appointed February 1<sup>st</sup>, 2011, with their term ending January 31<sup>st</sup>, 2014. Commissioner A serves past January 31<sup>st</sup>, 2014, and is subsequently reappointed April 1<sup>st</sup>, 2014 with the term of Commissioner A ending on January 31<sup>st</sup>, 2017 (the same date of their original appointment). If Commissioner B is chosen to replace Commissioner A, and is appointed April 1<sup>st</sup>, 2014. Commissioner B's term would end March 31<sup>st</sup>, 2017.
- 3) All commissioners should have terms that begin on July 1<sup>st</sup> and end on June 30<sup>th</sup> as initially appointed when the Commission was formed. The intermediary periods of past commissioners have shifted appointment dates away from July 1<sup>st</sup>. Commissioners from their respective agencies would have their terms "realigned" to the initial appointment dates pursuant to Public Contract Code 22014(b).

**Conclusion:**

The Commission should decide which interpretation is best. If there are alternative interpretations, please let me know so that I may add it to the list for final discussion at the June 20<sup>th</sup>, 2013 meeting.



**CALIFORNIA** UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

FREQUENTLY ASKED QUESTIONS (FAQ)

~~Here are answers to questions frequently asked by agencies evaluating the value of options open to them through the Uniform Public Construction Cost Accounting Act (The Act). Aside from the economic benefits, the program provides added conveniences, such as greater freedom in expediting public works projects yet within the spirit of open accountability.~~

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

A program created in 1983 which allows local agencies to perform public project work up to ~~\$3045~~,000 with its own work force if the agency elects to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual of the California Uniform Construction Cost Accounting Commission (Commission). The Act is enacted under Public Contracts Code Section 22000 through 22045 (hereafter abbreviated as PCC 22000-22045).

In addition, the Act provides for alternative bidding procedures when an agency performs public project work by contract.

- a) ~~(a)~~ Public projects of ~~\$4530~~,000 or less may be performed by negotiated contract or by purchase order (PCC 22032(a)).
- b) ~~(b)~~ Public projects of ~~\$1725~~,000 or less may be let to contract by the informal procedures set forth in the Act (PCC 22032(b)).
- c) ~~(c)~~ Public projects of more than ~~\$1725~~,000 shall be let to contract by formal bidding procedures (PCC 22032(c)).

Every five years, the Commission shall consider whether there have been material changes in public construction costs and make recommendations to the State Controller regarding adjustments to the bidding procedure monetary limits (PCC 22020). Adjustments should be effective for the fiscal year that commences not less than 60 days following the State Controller's notification to all participating agencies.

2. What are the benefits of the program?

- a) Increased force account limit
- b) Informal bidding for projects between \$45,001 and \$175,000 which do not require advertising.
- c) Reduces the number of formal bids.
- d) Expedited contracting for small projects.

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 improved timeliness of the project completion; has eliminated considerable red tape and cumbersome paperwork relative to advertising and filing of reports; and has simplified administration. Many agencies have encountered only minimal problems with the accounting requirements and the overhead portion. 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.

3. Is the Uniform Public Construction Cost Accounting Act mandatory for local agencies?

No. The Act is a voluntary program. However, it is available to all local agencies, counties, and cities, both general law and charter.

4. How does a local 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 (PCC 22030). Sample documents are available at: [http://www.sco.ca.gov/ard\\_cuccac.html](http://www.sco.ca.gov/ard_cuccac.html)

5. May a local agency withdraw from the Act?

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

6. What is the California Uniform Construction Cost Accounting Commission?

A state commission created under the Act (PCC 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). Seven 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. The Commission is responsible for administration of the Act. The State Controller provides limited staff and other support to the Commission (PCC 22015(a)).

7. What are the Uniform Public Construction Cost Accounting Procedures?

These cost accounting procedures were developed by the Commission. They are to be used to estimate costs for determining if a public project is required to be bid out and to capture and record actual costs when a public project is performed by the agency's own work force. The procedures follow normal accounting in the industry 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.

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

8. Are the cost accounting policies and procedures applicable for agencies whose work force only performs maintenance tasks as defined in the Act and whose public projects are all contracted out?

The cost accounting policies and procedures are only applicable for agencies that perform public project work by force account. 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<sup>[gmc1]</sup>.

9. Can a local agency disqualify or exclude certain contractors from the Qualified Contractors List required pursuant to PCC 22034(a)?

Agencies may disqualify contractors from the Qualified Contractors List ~~required- when a contractor fails to furnish information to meet the minimum criteria as established by the Commission~~ pursuant to PCC 22034(a).

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

The Act requires that an informal bid project is either advertised and/or notifications are sent to all contractors on the informal bidders list. We have noticed that a very large percentage of signatory local public agencies do not maintain or update an informal bidders list and are sending notices to only one or two contractors.

There is no exemption to maintaining a list of bidders. PCC 22034 (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. If an agency is not maintaining a list or notifying all contractors or trade papers, then they are not in compliance with the Act.

The Code says that participating agencies shall adopt an ordinance requiring that a list of all qualified contractors, identified according to categories of work be maintained. It does not require the list to be used however, and allows notifications to the required trade journals and exchanges be used as an alternate if desired. For agencies who elect to use the alternative authorized method of advertising, the purpose of the list is effectively negated.

If an agency is using the contractor's list then they must send the notification to all contractors on the list for that category of work and the list must be maintained in accordance with the Manual.

11. What is the difference between qualifying contractors under UPCCAA and prequalification of contractors under PCC 20101?

Qualification of contractors is a process that allows contractors to register with the agency for notification of public works opportunities. The prequalification process under PCC 20101 is a more complex process that requires a standardized questionnaire and evaluation of contractors using standard scoring criteria.

- 40.12. Must a local agency: (1) Notify contractors pursuant to PCC 22034(b) if the contractor is believed not to have the skills, credentials, or experience to perform the work? (2) Consider



bids submitted if the agency believes the contractor does not have the skills, credentials, or experience to perform the work?

- a) ~~(1)~~ If a contractor is on the Qualified Contractors List (PCC 22034(b)), the contractor must be notified by the agency of public projects for which he is licensed to perform.
- b) ~~(2)~~ All bids received from qualified contractors must be considered.

~~44.13.~~ Does the Act allow flexibility in cases of great emergency and when repair or replacements are necessary to permit the continued conduct of the operations or services of a public agency?

PCC 22035 provides that in cases of great emergency the governing body may, by majority vote, proceed without adopting plans and giving notice to bids to let contracts. In addition, this section provides that the governing body may delegate to the appropriate agency manager the power to declare an emergency and/or proceed with repairs or replacements without approval by the board. PCC 22050 provides contracting procedures without giving notice for bids to let contracts for these emergencies.

~~42.14.~~ Do the alternative bidding procedures apply only to public projects as defined in PC 22002(c) or can they be used for the following types of items:

- a) ~~(1)~~ Maintenance work to be performed by contract?
- b) ~~(2)~~ Purchase of heavy equipment?
- c) ~~(3)~~ Purchase of materials?

~~(4)~~ Pursuant to PCC 22003, a participating agency may use the alternative bidding procedures on maintenance work as defined in PC 22002(d), items 1-5. PCC 22003 is permissive and agencies can continue to exclude maintenance from the alternative bidding procedures. However, if an agency misclassifies a project (\$~~3045,0010~~ or more) as maintenance and therefore, does not use the applicable bidding procedures, a review by the Commission may be conducted pursuant to PCC 22042(c).

The purchase of equipment and supplies fall under PCC 20111; however, when purchased or used as part of a public works project, the costs associated with the purchase or use become part of the project cost and must be considered when applying the bid limits under the Act.

~~(2) No~~

~~(3) Yes if consumed on a public contract subject to and defined by the policies and procedures manual.~~

~~43.15.~~ What will membership in the Act cost my agency?

At the present, no required membership fees or dues are assessed. However, the Commission has only received direct state funding for a short period of its history. The State has indicated that the participating agencies, contractors, and unions that benefit from the Commission should be responsible for its funding. Therefore, in November 2004, the Commission asked member agencies, contractor's associations, and construction related

unions for voluntary donations to support the Commission. There may be additional requests for voluntary support. Any mandatory fees or dues would require legislation and would be for a nominal amount.

~~An agency with no or antiquated cost accounting may need to invest in a system that will satisfy the relatively simple cost accounting procedures of the program.~~

~~Considering the many benefits over the long run, the program deserves consideration.~~

14.16. What are the most common concerns?

There are three leading areas of expressed concern and mostly all are quickly alleviated when addressed properly. These are:

- a) ~~(1)~~ Cost accounting policies and procedures;
- b) ~~(2)~~ Informal bidding procedures;
- c) ~~(3)~~ Accounting review procedures.

The cost accounting requirements follow those common to the construction industry. The informal bidding up to ~~\$125~~175,000 is seen by the agencies as an 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 a review could potentially hold up a project for 30 days pursuant to PCC 22043, formal complaints have been rare in the Commission's history.

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

Cities with populations of less than 75,000 may use an overhead rate of 20% of all direct costs in lieu of the overhead rate calculation specified in Section VI of the Cost Accounting Policies and Procedures Manual. Cities with a population of more than 75,000, counties, special districts, and school districts may use an overhead rate of 30% of all direct costs, in lieu of a calculated rate.

16.18. When a local entity opts into the Act, does the Act supercede other contracting legal requirements such as statutory requirements for performance bonds, prevailing wages, and certificates of insurance, etc?

The Act only supercedes the bidding procedures used once a public agency has adopted a resolution and notified the Controller. All other contracting requirements are applicable whether or not a public entity opts into the Act.

The specific mention of bidding procedures emphasizes the omission of other statutory requirements (such as bond payments, prevailing wages, addenda, change orders, etc) and implies that their applicability is found in specific statutory provisions rather than the Act.

Therefore, the Act does not supercede other contracting requirements for performance bonds, prevailing wages, and certificates of insurance, etc.

19. Can a signatory agency, claim to be to be exempt from requirements in the Public Contract Code (PCC) by claiming they only have to follow the language and procedures within the Act? CIFAC has found signatory agencies that ignore the following requirements because these requirements are found in the language in other parts of the PCC that is outside the Act.

- a) Subcontractor listing – all subcontractors in excess of ½ of 1%
- b) Mandatory pre-bid notice – a minimum of 5 days notice before the meeting
- c) 72-hour bid opening extension on monetary specification changes
- d) All bids opened in public

No. The Commission has ruled in the past that where the Act is silent, the standard code applies.

20. If the Construction Industry Force Account Council (CIFAC) finds signatory agencies that are not following the advertising requirements in the Act, will the Commission address those agencies? Can CIFAC bring a complaint against them to the Commission?

PCC 22042 lists the categories of complaints that the Commission can consider. A complaint of agencies not following advertising requirements is not one of the categories listed. PCC 22044 seems to suggest that we can make findings on any violation of the chapter but then later seems to limit our response to the categories in PCC 22042.

21. PCC 20112 specifically requires school districts to advertise twice for a two week period, while PCC 22037 requires advertising once, 14 days in advance of the date of opening of bids. Which code applies to school districts?

PCC 22037. When the Act is in conflict with any other code, the Act shall supersede. However, most districts chose to maximize their outreach by continuing to advertise twice.

22. Will the Commission address the fact that agencies are not advertising annually for the informal bidders list?

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23. May an agency contract separately for like work at individual sites using the under lower Force Account limit?

24. May an agency bid out 2 separate projects that are at to occur at the same time and site, but are different types of work?

Yes, the agency may bid these out as 2 separate projects using the "multi-prime" or "multiple prime" method of contracting. This is when a project is divided in trades and bid out as separate packages. There is no violation and no bid splitting since the work is being competitively bid.

25. How do agencies process change orders when the standard code conflicts with the Act?

For contracts below \$45,000, the total cost of the contract may not exceed \$45,000. For informal contracts, the total cost of the project may not exceed \$187,500.

Change orders for formal bids would follow the requirements in PCC 20118.4.

18.26. Does an agency by opting into the Act automatically bring

- a) ~~(1)~~ All departments of the agency into the Act?
- b) ~~(2)~~ Districts under control of the governing board into the Act?

~~(1)~~ 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.

~~(2)~~ Special Districts, which are governed by a board of supervisors or city council, are only subject if a separate election is made.

Additional inquiries and questions can be directed to:  
State Controller's Office  
Division of Accounting and Reporting  
Local Government Policies Section  
3301 C Street, Suite 740  
Sacramento CA, 95816



## SAMPLE INFORMAL BIDDING ORDINANCE

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

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 be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section \_\_\_\_\_, and 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:

(1) If there is no list of 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.

(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:



## Item 10a - Proposed CUCCAC Procedure for List of Qualified Contractors Policy

### **Background:**

Agencies are required to create and maintain a list of qualified bidders pursuant to Public Contract Code (PCC) 22034(a).

PCC 22034(a) states:

- (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.

The criteria are outlined in the CUCCAC Cost Accounting Policies and Procedures Manual on page 7. It notes that November of each year, each public agency which has elected to become subject to the Uniform Public Construction Cost Accounting Act shall mail a written notice to all construction trade journals inviting licensed contractors for inclusion in the agency's list of qualified bidders for the following calendar year.

### **Problem:**

The issue is that the procedures outlined cover agencies that have been in the Act and are simply maintaining their lists. What are the procedures for an agency that has recently become subject to the Act, but does not have sufficient time to create their list of qualified bidders as outlined by the manual?

- i. What if an agency joins in November/December? What if an agency joins in March? Would they not have to update until that November?
- ii. What if an agency recently joins the Act and needs to put a project out for bid before they have the time to put together a list of qualified bidders? Could a procedure be developed to allow exceptions for this to be made on a case by case basis?

**Proposed Options:**

- i. Allow the agency up to 90 days upon becoming subject to the Act to create their initial list of qualified bidders. After the initial list has been completed, the agency shall follow the procedures outlined on page 7 of the manual.
- ii. If such case is an emergency, as outlined in PCC 22035, the agency shall follow the procedures set forth in that code section. If such case is not an emergency, the agency shall follow the procedures set forth in the Cost Accounting Policies and Procedures Manual.

**Conclusion:**

The Commission should decide if these proposed solutions are agreed upon with the majority of the members. If there are alternative solutions, please let me know so that I may add it to the list for final discussion at the June 20<sup>th</sup>, 2013 meeting.



**MENDOCINO COUNTY BOARD OF SUPERVISORS**  
**ONLINE AGENDA SUMMARY**

BOARD AGENDA #\_4(o)\_

-Arrangements for public hearings and timed presentations must be made with the Clerk of the Board in advance of public/media noticing  
 -Agenda Summaries must be submitted no later than *noon* Monday, 15 days prior to the meeting date (along with electronic submittals)  
 -Send 1 complete original single-sided set and 1 photocopy set – Items must be signed-off by appropriate departments and/or Co. Co.  
*Note: If individual supporting document(s) exceed 25 pages each, or are not easily duplicated, please provide 7 hard-copy sets)*  
 -Transmittal of electronic Agenda Summaries, records, and supporting documentation must be emailed to: [bosagenda@co.mendocino.ca.us](mailto:bosagenda@co.mendocino.ca.us)  
 -Electronic Transmission Checklist: ☐ Agenda Summary ☐ Records ☐ Supp. Doc. ☐ If applicable, list other online information below  
 -Executed records will be returned to the department within one week. *Arrangements for expedited processing must be made in advance*

TO: Board of Supervisors DATE: March 28, 2013

FROM: Department of Transportation MEETING DATE: April 9, 2013

DEPARTMENT RESOURCE/CONTACT: Howard N. Dashiell PHONE: 463-4363 Present ☐ On Call ☒

Consent Agenda ☒ Regular Agenda ☐ Noticed Public Hearing ☐ Time Allocated for Item: \_\_\_\_\_

**■ AGENDA TITLE: Adoption of Resolution of the Board of Supervisors Authorizing the Road Commissioner to do Minor Road Reconstruction and New Construction with County Staff per PCC § 20395 (c) (Amended by AB 720) Prescribed 30% Maximum Force Account Work (County-wide)**

**■ PREVIOUS BOARD/BOARD COMMITTEE ACTIONS:** On May 12, 2009, the Board endorsed testimony of the Director of Transportation before committees on AB 1409 (Perez) with regard to Public Contracts/County Highways. The Board approved a letter of opposition to AB 1409(Perez) to be sent to California Legislature members and the California State Association of Counties (CSAC), authorizing the Chair to sign the same. On July 14, 2009, the Board approved sending a second letter to the same. On March 28, 2011, the Board approved opposition to AB 720 (Hall) by a 4-1 vote. On July 26, 2011 Board withdrew opposition in favor of the compromise negotiated by CSAC.

**■ SUMMARY OF REQUEST:** The subject legislation has been amended seven times. AB 720 (Hall), as amended, restricts PCC § 22030 – the California Uniform Construction Cost Accounting Commission (CUCCAC) option for counties by limiting their Road Commissioner use of PCC § 20395 to 30% for new road construction and road reconstruction. CSAC, who has negotiated a compromise, also requires this declaration.

**■ SUPPLEMENTAL INFORMATION AVAILABLE ONLINE AT:** None.

**■ ADDITIONAL INFORMATION ON FILE WITH THE CLERK OF THE BOARD (CHECKED BY COB IF APPLICABLE):** ☐

FISCAL IMPACT:			
Source of Funding	Current F/Y Cost	Annual Recurring Cost	Budgeted in Current F/Y
Road Fund	None	Limit County road maintenance staff doing reconstruction or new construction to 30%	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

**■ SUPERVISORIAL DISTRICT:** 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ All ☒ **■ VOTE REQUIREMENT:** Majority ☒ 4/5<sup>ths</sup> ☐

**■ RECOMMENDED ACTION/MOTION:** By Resolution Authorize and direct Director of Transportation no more than 30% of the PCC § 20395 (c) (Amended by AB 720 per PCC Section 22031(b)(2)) prescribed force account work.

**■ ALTERNATIVES:** An alternative (not recommended) would be to not approve the authorization.

**■ CEO REVIEW (NAME):** \_\_\_\_\_ **PHONE:** 463-4441

**RECOMMENDATION:** Agree ☐ Disagree ☐ No Opinion ☐ Alternate ☐ Staff Report Attached ☐

**BOARD ACTION (DATE: \_\_\_\_\_):** ☐ Approved ☐ Referred to \_\_\_\_\_ ☐ Other \_\_\_\_\_

**RECORDS EXECUTED:** ☐ Agreement: \_\_\_\_\_ ☐ Resolution: \_\_\_\_\_ ☐ Ordinance: \_\_\_\_\_ ☐ Other \_\_\_\_\_

**RESOLUTION NO. 13-**

**RESOLUTION OF THE MENDOCINO COUNTY BOARD OF SUPERVISORS  
AUTHORIZING THE ROAD COMMISSIONER TO DO MINOR ROAD  
RECONSTRUCTION AND NEW CONSTRUCTION WITH COUNTY STAFF PER PCC  
§ 20395 (C) (AMENDED BY AB 720) PRESCRIBED 30% MAXIMUM FORCE  
ACCOUNT WORK (COUNTY-WIDE)**

WHEREAS, the Mendocino County Department of Transportation (MCDOT) has used Public Contract Code Section 20395 to do work with County Road Staff (Force Account) for over 50 years; and

WHEREAS, Section 20395 (c) of the State of California Public Contract Code (PCC) and 2.56.020 of the Mendocino County Code define and govern the Road Commissioner; and

WHEREAS, Assembly Bill 720 has placed a 30% limit of the on certain Force Account work related to New Road Construction and Road Reconstruction as well as a declaration.

NOW, THEREFORE, BE IT RESOLVED that the Mendocino County Board of Supervisors:

That the Mendocino County Department of Transportation is hereby authorized and directed to use road maintenance field staff do no more than 30% new road construction and road reconstruction pursuant to the PCC § 20395 (c) (Amended by AB 720 per PCC Section 22031(b)(2)) prescribed force account work (adjusted for Capital Project Delivery Force Account efforts and other eligible items).

The foregoing Resolution introduced by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, and carried this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by the following vote:

AYES:  
NOES:  
ABSENT:

WHEREUPON, the Chair declared said Resolution adopted and SO ORDERED.

ATTEST: CARMEL J. ANGELO  
Clerk of the Board

\_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
THOMAS R. PARKER, County Counsel

\_\_\_\_\_  
Deputy

\_\_\_\_\_  
DAN HAMBURG, Chair  
Mendocino County Board of Supervisors

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

BY: CARMEL J. ANGELO  
Clerk of the Board

\_\_\_\_\_  
Deputy

# Memo

**To: California Uniform Construction Cost Accounting Commission Members**  
**From: Cathryn A. Hilliard, CIFAC Executive Director**  
**Date: June 7, 2013**  
**Re: Item 10 b. CIFAC's Position on AB 720 – County Road Commissioner Project Declaration Requirements**

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**In regards to item 10 b.** on the California Uniform Construction Cost Accounting Commission Agenda for the June 20, 2013 meeting, I offer the following comments describing CIFAC's position on the declaration of new county road commissioner projects.

A CIFAC-led public works construction industry coalition and CSAC/CEAC representatives reached agreement that after the 2013 effective date, a California Uniform Construction Cost Accounting Act (the Act) signatory county, declaring a road commissioner project, could undertake road reconstruction and new construction up to a maximum of 30% of the value of all roadwork done by force account other than maintenance as the county reported to, and was subsequently published in the State Controller's Streets and Roads Annual Report as of January 1 of each year.

There was another major provision in the law that was a part of the discussion throughout the legislative process; to have projects declared prior to the commencement of work, with the location and other cost accounting information available to the County Boards of Supervisors and the public. It was not the intent of the law to allow for a blanket, non-specific declaration once each year at budget time, that covers all work for an entire year, without any details. A blanket declaration without specifics does not provide elected or appointed officials or the public with clarity or transparency and leaves room for backfilling numbers and manipulating the data.

More importantly, as a Commission, you need to know whether or not an individual project has exceeded the limit. How would the Commission be able to make a determination without this information? Without declarations that include details about each individual project, Commissioners would have to assume that all projects over the \$45,000 threshold are out of compliance and should be sanctioned. This would not be fair to the counties or to CIFAC.

Signatory counties can do force account work up to \$45,000 under the guidelines of CUCCAA. If they choose to do new road construction and road reconstruction projects up to the 30% of all force account work, as defined in the law, and they declare those projects prior to commencing the work, they can do so.

All counties may continue to do unlimited emergency road construction work as needed when the Board of Supervisors declares the project is an emergency.

CIFAC's intention is to work with the appropriate counties and to act as a resource, especially as we go through the first year of implementation. We have evidence that this process has already begun. Please note that several CUCCAA signatory counties are already following the new law in the correct fashion by declaring projects prior to commencing work.

**Requested Action:** CIFAC requests that Commissioners do not take action to support the use of blanket, non-specific road commissioner project declarations. A position of support is in conflict with the intent of the law and undermines the Commission's ability to make project-by-project determinations based on facts and figures. CIFAC worked closely with county representatives for more than a year before AB 720 became the law and Mendocino County's approach would subvert that effort.

### **Director's Report – May 14, 2013**

- **Road Commissioner/County Engineer Activities:** On April 9, 2013, the Mendocino County Board of Supervisors approved Resolution 13-039 declaring in a general “blanket” format the intention of use County Road Crews to do road reconstruction under the 30% limit set by AB 720. At that time, the Board directed the Director of Transportation to determine the validity of a “possible violation” suggested in an emailed comment by Construction Industry Force Account Council (CIFAC) addressing that Board Agenda Item. The Mendocino County Department of Transportation (MCDOT) Director did contact the California State Controller's Office (SCO) and the matter will be on the agenda at the next California Uniform Construction Cost Accounting Commission (CUCCAC) meeting June 20, 2013 in Sacramento. MCDOT Director will attend and is still quite confident that Mendocino's action was not a violation of the California Uniform Public Construction Cost Accounting Act (CUPCAA).

Nevertheless, the Director has been meeting with other counties (via phone conferences) to see if an acceptable method of “notification” can be agreed upon with the CIFAC to address public transparency in the use of County Road Crews to do road reconstruction under the 30% limit set by AB 720. Presently Resolution 13-039 declares in a general “blanket” format the intention of use:

*Public Contract Code (PCC) Section 22031(b) (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% of 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.*

Based on comments from CIFAC representatives concerning this resolution, the Mendocino County Road Commissioner determined that CIFAC believes AB 720 sets a 30% limit and directed California Uniform Public Construction Cost Accounting Act (CUPCAA) participating Counties of populations over 50,000 to follow **procedures set forth in PCC Section(s) 20000 – 22045**. AB 720, however, clearly states that Road Commissioners should follow the old PCC 20390 -20397 up to 30%. Nevertheless, statements and concerns over transparent county use of staff might be accomplished without the added cost of following PCC 22038 – where a project over \$45,000 is put out to bid and then the Board rejects the bids and declares the project can be done more economically by employees of the public agency. Instead, the Mendocino County Road Commissioner proposes that information about intended “force account work” (work to be done with county employees) be stated in the budget. Some flexibility should be included to account for conditions changing over the year as well as smaller tasks classified by the State Controllers office in hindsight as *new road construction and the road reconstruction*.

If such a voluntary Board policy were in place, then a portion of the FY 2012-13 budget narratives for the present might have read:



### **GOALS/OBJECTIVES FOR FY 2012-13**

- ◆ *Declaration of Road Commissioner's use of Public Contract Code (PCC) § 20395(c) (Amended by AB 720 per PCC Section 22031(b)(2)) - 30% limit for new road construction and road reconstruction as calculated and adjusted from the State Controllers Office (SCO) Annual Road Report. This code limits thick asphalt overlays to approximately 5 miles; it also limits sealing or reencountering of dirt roads (changing alignment significantly) or adding new bridges to approximately \$1 million. While the limit may be \$1 million, the funds available could be less. Furthermore, because the SCO calculation determining the 30% is done post-work, the Road Commissioner will monitor Road Crew activities and likely leave a buffer to insure staying under 30%.*

*The Road Commissioner's planned efforts for FY 2012-13 include, but are not limited to, the following short pavement overlays totaling about 2,500 Tons Hot Mix Asphalt (HMA):*

- 1) Philo-Greenwood Road (HS mix) apron with State Route 128*
- 2) Fish Rock Road 1320 feet various rough spots*
- 3) Muir Mill Road 300 feet various rough spots*
- 4) Valley Road 500 feet various rough spots*
- 5) Hearst Willits Road 500 feet various rough spots*
- 6) Bran comb Road (HS mix) apron with US 101*
- 7) Eastside Calpella Road 1000 feet various rough spots*
- 8) Eel River Road @ south grade 800 feet*
- 9) Comptche Ukiah Road 300 feet various rough spots*
- 10) Unnamed Road 410D Caspar 640 feet*
- 11) Mendocino Pass Road 300 feet various rough spots*
- 12) Fairbanks Road 300 feet various rough spots*

*The Road Commissioner's planned efforts for FY 2012-13 also include: possible road improvements for sight distance on County Maintained Roads, seal coating small segments of critical gravel roads, and improvements for sediment reductions on critical segments of dirt roads - done in conjunction with normal maintenance activities but classified as reconstruction by the SCO. Some of these activities are not readably definable, but the activities are coded at time work is preformed and later the data is subject to SCO analysis.*

*Funds available and priority repair locations are subject to the severity of the winter each year; therefore, the planned locations are subject to change by the Road Commissioner based on actual conditions.*

**In the spirit of communication, MCDOT would propose this sort of statement be prepared for the FY 2013-14 budget and ask the Board's input on such a policy. Or, such information could be placed in a regular Director's Report without the 15 to 20 day delay of agendized Board item.**



## CIFAC Response to Mendocino Director Report, Re Agenda Item

I wanted to take a moment and express my on-going concerns about the implementation of AB720 and Mendocino County Department of Transportation. It is CIFAC's position that projects must be declared before they start. It was our intent that they would be brought to the Board of Supervisors prior to each project. We recognize that some counties are doing this in groups of projects, and we accept that type of declaration. What we do not believe meets the intent or the letter of the law, is to have a blanket declaration without a list of projects and their location, or a list without an approximate value attached. One of the reasons behind this is to allow the industry and the tax-paying public to know how and where money is being spent on our roadways. The law allows counties to still do all maintenance projects and projects below their force account limit of \$45,000. It is only those projects over \$45,000 that we are concerned with.

The dollar value of what each County is allowed to do is calculated on what each County self reports to the Controllers Office each year. There is a book of guidelines in determining how the work is classified, and how it is reported. There should not be any surprise at the end of the year for the Department. We ask for approximate value and feel that this should not be a burden for any Department. This is the only way that they can know if it is under the \$45,000 limit allowed by the California Uniform Cost Accounting Act or over that amount. If it is over the \$45,000 it needs to be on the declared list. Small maintenance projects or small road projects do not count in the total allowed by AB720. If an approximate value is not known, how does a department know what they are spending out of the allowable funds. In speaking to other departments in the State, they tell me that this information is easily available.

The County is signatory to the Act. The Act states that estimates are to be made prior to work commencing. McDot has stated that they do not like the Act and thus don't use it. I see that this could cause problems in the future. As McDot does manage other things besides traveled roadway, they should be aware of the Acts requirements and be able to follow them.

I recognize that change is difficult for many people. We are not asking for full plans and specifications. We do not want work put out to bid and then having bids rejected. We do feel that the costs of material, equipment and labor can be closely estimated. If it is not, how does the department know that they can perform the projects for less? I have reviewed the possible list for fiscal year 2012-2013. I note that many of the projects listed would be maintenance projects and not subject to the limit. I have also asked other counties about the road reports that are submitted to the controllers office. Those reports are done by the county department, their fiscal person and the county auditor. The review from the SCO is only if there are questions or an audit is done. The assertion that it is all determined after the work is done, does not appear to agree with other counties, the law or common sense.

Respectfully Lee Howard

**California Uniform Construction Cost Accounting Commission**



November 30, 2012

Jeffery W. Armstrong  
Northern CA Laborers' Union  
Chairman-CUCCAC

Phillip Nelson  
Director of Engineering  
Services Dept.  
County of Ventura  
Vice Chairman-CUCCAC

Linda Clifford  
Chief Financial Officer  
C.C. Myers, Inc. - Contractor  
Secretary-CUCCAC

Eddie Bernacchi  
NECA, Politico Group  
Subcontractors

Guiselle Carreon  
Director of Purchasing  
Grossmont Union High School District  
Schools

George Hicks  
Director of Public Works  
City of Fairfield  
Cities

David A. McCosker  
Chairman of the Board  
Independent Construction Co.  
General Contractors

Lisa Miller-Strunk  
Contractors State License Board  
Appointed

Josie Ripoly  
Purchasing Director  
Moreno Valley Unified School  
District-Schools

Rod Moresco  
Director of Public Works  
City of Vacaville  
Cities

Cesar Diaz  
Legislative Director  
State Building and Construction Trades  
Council  
Labor

Robert R. Campbell  
Contra Costa County  
Auditor-Controller

William R. Dildine  
Trojan Electric, Inc.  
Subcontractors

Lisa Ekers  
Port Director  
Santa Cruz Harbor  
Special Districts

Mr. Gregory Schmidt  
Secretary of the Senate  
State Capitol  
Sacramento, CA 95814

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

**RE: Annual Report to the California State Legislature for 2011**

Dear Members of the Legislature,

In accordance with Public Contracts Code 22017(d), the activities and operations of the California Uniform Construction Cost Accounting Commission (Commission) for 2011 are listed below:

- The Commission met on June 8, 2011. The meeting was chaired by Eddie Bernacchi, representing private sub-contractors.
- Participants who have adopted the Uniform Public Construction Cost Accounting Act (Act) have increased from 736 to 773 agencies.
- The Commission continues to be concerned that the lack of adequate and stable funding will hamper the Commission's ability to fully implement their statutory requirements. The Commission did receive some limited unrestricted donations.
- The Commission's recommendation to raise the informal bid limit to \$187,500, was approved by the State Controller's Office (SCO). Notices were mailed to participating agencies.
- The Commission reviewed updates on AB 720, increasing bid limits and allowing a county's board of supervisors or road commissioner to apply the Act to highway contracts, and AB 943, increasing chairperson's term to 2 years and allowing the State Controller more time to appoint replacement Commissioners.
- By-laws were adopted by the commission subject to review by the SCO.

*California Uniform Construction Cost Accounting Commission*



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Auditor-Controller

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Trojan Electric, Inc.  
Subcontractors

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Port Director  
Santa Cruz Harbor  
Special Districts

- In July 2011, the State Controller reappointed Commissioners Guiselle Carreon, representing school districts; and Linda Clifford, representing private contractors with accounting experience.
- In September 2011, the State Controller appointed Commissioner Robert Campbell to serve a three-year term, representing counties as an Auditor-Controller.

Respectively submitted,

Jeff Armstrong, Chair  
California Uniform Construction Cost Accounting Commission

cc: State Controller's Office

**California Uniform Construction Cost Accounting Commission**



November 30, 2012

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City of Fairfield  
Cities

David A. McCosker  
Chairman of the Board  
Independent Construction Co.  
General Contractors

Lisa Miller-Strunk  
Contractors State License Board  
Appointed

Josie Ripoly  
Purchasing Director  
Moreno Valley Unified School  
District-Schools

Rod Moresco  
Director of Public Works  
City of Vacaville  
Cities

Cesar Diaz  
Legislative Director  
State Building and Construction Trades  
Council  
Labor

Robert R. Campbell  
Contra Costa County  
Auditor-Controller

William R. Dildine  
Trojan Electric, Inc.  
Subcontractors

Lisa Ekers  
Port Director  
Santa Cruz Harbor  
Special Districts

Mr. Gregory Schmidt  
Secretary of the Senate  
State Capitol,  
Sacramento, CA 95814

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

**RE: Annual Report to the California State Legislature for 2012**

Dear Members of the Legislature,

In accordance with Public Contracts Code 22017(d), the activities and operations of the California Uniform Construction Cost Accounting Commission (Commission) for 2012 are listed below:

- The Commission met on August 29, 2012. The meeting was chaired by Jeff Armstrong, representing labor.
- Participants who have adopted the Uniform Public Construction Cost Accounting Act (Act) have increased from 773 to 818 agencies.
- The Commission continues to be concerned that the lack of adequate and stable funding will hamper the Commission's ability to fully implement their statutory requirements. The Commission did receive some limited unrestricted donations.
- The Commission approved additions to the Frequently Asked Questions (FAQ's) posted on the State Controller's Office website.
- On June 21, 2012, the State Controller sent four reappointment letters to Commissioners Jeff Armstrong, representing labor; William Dildine, representing private sub-contractors; Rod Moresco, representing cities; and Josie Ripoly, representing school districts.

Respectively submitted,

Jeff Armstrong, Chair  
California Uniform Construction Cost Accounting Commission

cc: State Controller's Office

State Controller's Office-County Policy Section  
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