

California Uniform Construction Cost Accounting Commission

Meeting Agenda

Thursday, June 25, 2015

9:30 AM – 1:30 PM

Locations

California State Controller's Office

300 Capitol Mall

6th Floor, Terrace Room

Sacramento, CA 95814

Santa Cruz Harbor

135 5th Avenue Santa

Cruz, CA 95062

Teleconference Number: (888) 278-0296

Participation Code: 221558

Name	Position	Representing
George Hicks, Chair	Director of Public Works	City of Fairfield Cities
Linda Clifford, Vice Chair	Chief Financial Officer	C.C. Myers, Inc. Contractors State License Board
Guiselle Carreon, Secretary	Commercial Warrants and Accounts Payable Manager	San Diego County Office of Education School Districts (ADA <25,000)
Jeff Armstrong	Apprenticeship Director	Northern California Laborers' Union Labor
Eddie Bernacchi	President	Politico Group Subcontractors
Robert Campbell	Auditor-Controller	County of Contra Costa Counties
Will Clemens	Public Works Department Administrator	County of San Luis Obispo Counties

Name	Position	Representing
David Cruce	VP- Estimating, Business Development & Materials	Papich Construction Co., Inc. General Contractors
Cesar Diaz	Legislative Director	State Building and Construction Trades Council Labor
Lisa Ekers	Port Director	Santa Cruz Harbor Special Districts
Steven L. Hartwig	Director of Public Works	City of Vacaville Cities
Michael R. Hester	President	McGuire and Hester Subcontractors
Nathaniel Holt	Director of Purchasing and Contracts	Pomona Unified School District School Districts (ADA >25,000)
David A. McCosker	Chairman of the Board	Independent Construction Co. General Contractors

Name	Position	Representing
Anita Dagan	Manager	Local Government Policy Section
Lili Apgar	Fiscal Analyst	Local Government Policy Section
Robert Szabo	Fiscal Analyst	Local Government Policy Section

Meeting Agenda

- 1. Call to Order**
 - A. Voting by Roll Call
- 2. Introductions**
- 3. Approval of the Minutes (Refer to attachment Item 3)**
 - A. Meeting December 17, 2014 (Revision)
 - B. Meeting March 18, 2015

- 4. Commission Updates (Refer to attachments 4B, 4C and 4D)**
 - A. Participating agencies
 - I. New
 - B. Funding update
 - C. Inquiry update
 - D. FPPC Form 700
- 5. Public Comments**
- 6. Staff Comments/Requests**
- 7. Reports of Officers**
 - A. Chair
 - B. Vice Chair
 - C. Secretary
- 7. Committee Reports (Refer to attachment item 8)**
 - A. Finalize FAQ Questions 9 and 25
 - B. Draft letter to CIFAC and County of Ventura clarifying force account limit guidelines in relation to Job Order Contracts (JOC)
- 9. Commissioner Comments/Requests**
- 10. Old Business (Refer to attachment item 10)**
 - A. Legislative Update
 - B. Funding sources – Draft letter for grants and donations
 - C. Language for revising Commission finding letter template
- 11. New Business**
- 12. Next Meeting**
- 13. Adjournment**

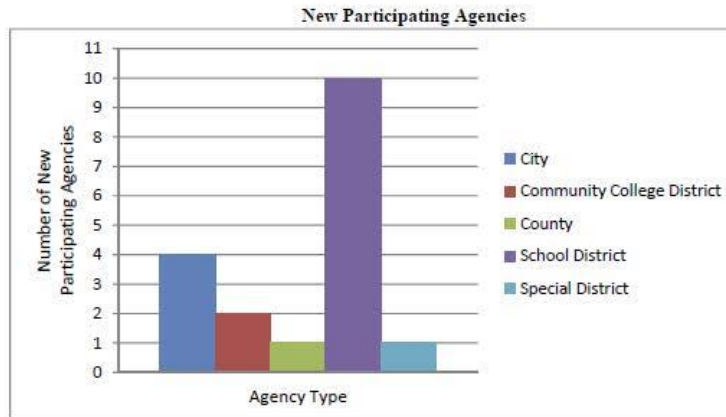
If you would like further information regarding this meeting or require special accommodations for attending this meeting, please contact:

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

Commission Update
For the period March 1, 2015 – May 31, 2015

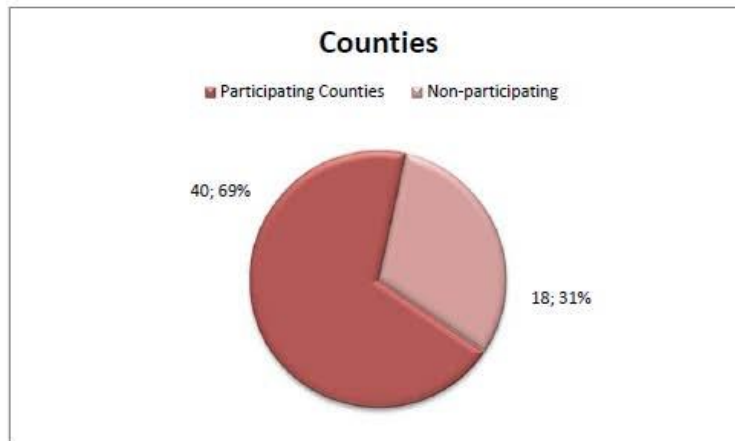
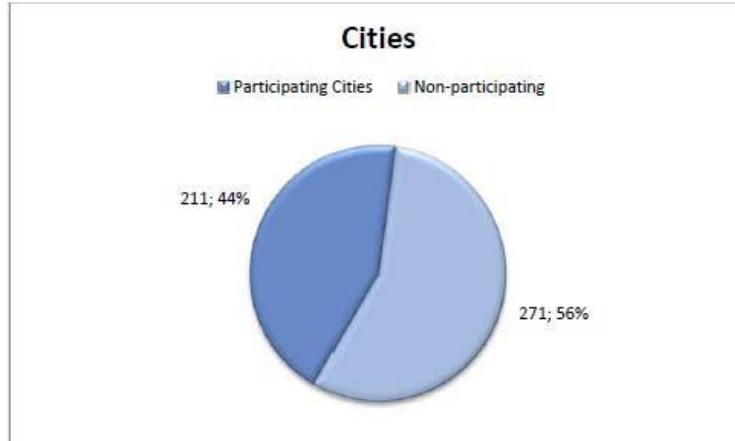
4a. Report on new participating agencies

Eighteen (18) new agencies have opted into the CUPCAA, bringing the number of agencies participating in the Act to 898. Reconciliation of participating agencies by SCO is 95% complete.

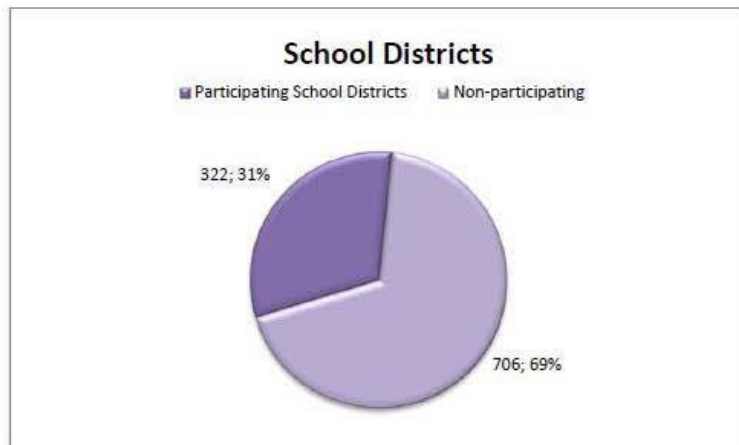
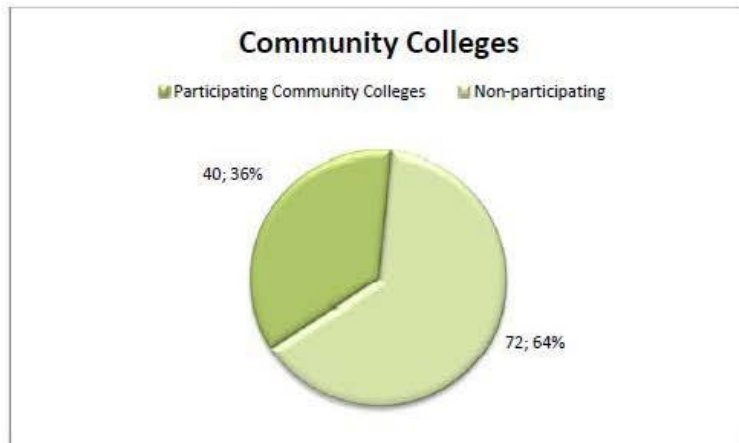


	Agency	Date Opted In	Agency Type
1	City of San Joaquin	3/10/2015	City
2	Rio Hondo Community College District	2/18/2015	Community College District
3	Lost Hills Union School District	1/12/2015	School District
4	City of Sanger	3/19/2015	City
5	City of Williams	4/7/2010	City
6	City of Winters	3/1/2011	City
7	County of Sierra	2/3/2015	County
8	Dunsmuir Joint Union High School District	4/15/2015	School District
9	Encinitas Union School District	1/20/2015	School District
10	Gateway Unified School District	4/15/2015	School District
11	Hart-Ransom Union School District	3/25/2015	School District
12	Eastside Union School District	3/23/2015	School District
13	Evergreen Union School District	5/19/2015	School District
14	Kerman Unified School District	5/21/2015	School District
15	Montgomery School District	3/9/2015	School District
16	Ramona Unified School District	3/17/2015	School District
17	San Luis Obispo County Community College District	1/7/2015	Community College District
18	Sonoma Agriculture Open Space District	1/6/2015	Special District

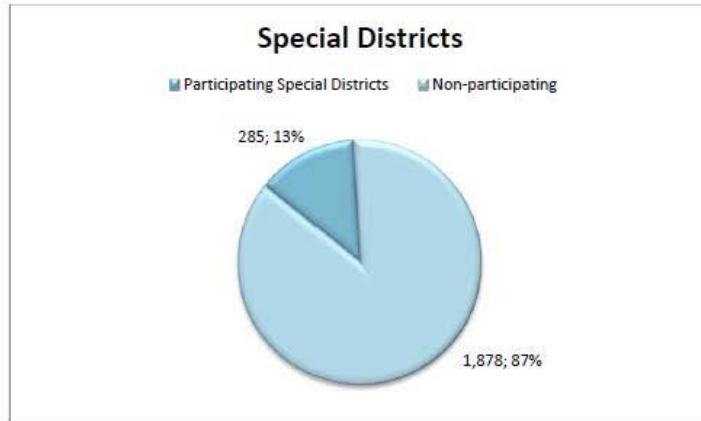
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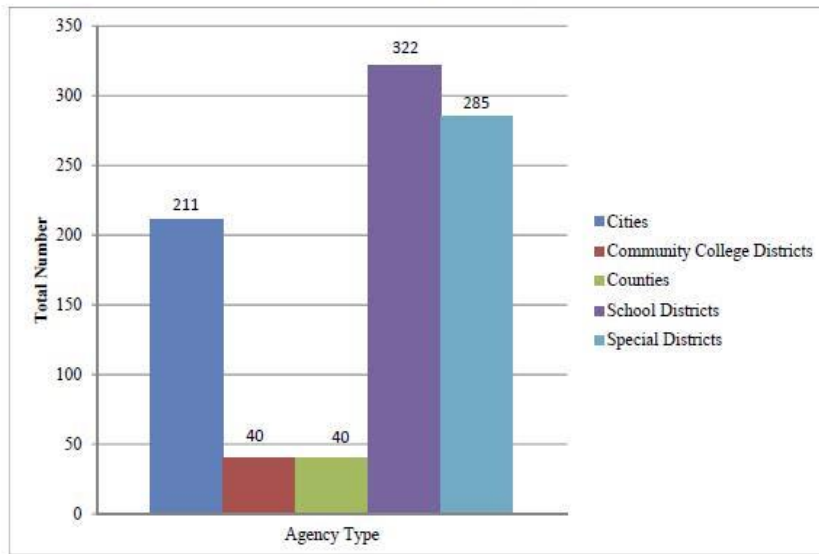
Commission Update
For the period March 1, 2015 – May 31, 2015



Commission Update
For the period March 1, 2015 – May 31, 2015



Total Participating Agencies (898)



Commission Update
 For the period March 1, 2015 – May 31, 2015

4b. Funding update

The Commission has \$2,747.92 of unrestricted donations available for its use.

	Conditional	Unconditional	Total
Beginning Balance 3/1/2015	\$ 0	\$ 3,109.58	\$ 3,109.58
Expenditures			
Travel Expense Claims	\$ 0	\$ 361.66	\$ 361.66
Ending Balance 5/31/2015	\$ 0	\$ 2,747.92	\$ 2,747.92

Commission Update
For the period March 1, 2015 – May 31, 2015

4c. Report on Inquiries Received

Thirty (30) inquiries have been received by the State Controller's Office during the period March 1, 2015 to May 31, 2015.

No.	Date Received	Organization Requesting	Subject Title	Assigned To	Date Courtesy Receipt Sent	Status	Date of Completion
1	26-May-15	Terri Shaffer, Fresno Flood Control	Construction Trade Journal Listing	L. Apgar	28-May-15	Complete 05-26-15 Requested expertise from Commission Chair in drafting response. 05-28-15 Requested assistance from Chair and Vice Chair in drafting a response. 05-29-15 Follow up email and draft response sent to Chair.	2-Jun-2015
2	18-May-15	Anni Cerda, Orange County	Informal bid procedures	L. Apgar	28-May-15	Complete 05-28-15 Courtesy receipt sent upon return from vacation. 05-29-15 Draft response sent to Chair for approval.	2-Jun-2015
3	18-May-15	Rene Robertson, Fair Political Practices Commission	Conflict of Interest Code Contact	L. Apgar	28-May-15	Complete	28-May-2015
4	14-May-15	Terri Shaffer, Fresno Flood Control	Construction Trade Journal Listing	L. Apgar	14-May-15	Complete 05-13-15 Assistance requested from Chair Hicks. Draft response sent to Chair for approval.	26-May-2015
5	13-May-15	Peggy Edwards, San Luis Obispo County Office of Education	Which special districts are participating in the Act?	M. Gungon	13-May-15	Complete 05-06-15 Draft response requested by Commission chair Hicks. L. Apgar assigned task to M. Gungon and sent courtesy email to chair Hicks.	14-May-2015
6	13-May-15	Deborah Stampfli, Susanville Sanitary District	Maintenance of Contractor Bidder Listing	L. Apgar	13-May-15	Complete	13-May-2015
7	12-May-15	Deborah Stampfli, Susanville Sanitary District	Next step after opting into the Act	L. Apgar	13-May-15	Complete	13-May-2015
8	11-May-15	Bill Heath, Santa Rita Union School District	Number informal bidders required	L. Apgar	11-May-15	Complete	11-May-2015

Commission Update
For the period March 1, 2015 – May 31, 2015

No.	Date Received	Organization Requesting	Subject Title	Assigned To	Date Courtesy Receipt Sent	Status	Date of Completion
9	06-May-15	Gina Eicher, City of Walnut Creek	Alternative bid procedures for landscape maintenance work	M. Gungon	06-May-15	Complete 05-07-15 Draft response sent to chair for approval.	11-May-2015
10	04-May-15	Dayna Barron-Stagg, Counterpoint Construction Services, Inc.	Qualified contractors list	M. Gungon	06-May-15	Complete 05-06-15 Draft response requested by Commission chair Hicks. L. Apgar assigned task to M. Gungon and sent courtesy email to chair Hicks.	7-May-2015
11	04-May-15	Hope Leja, Golden West Community Service District	Limits for district without own force account	M. Gungon	04-May-15	Complete	6-May-2015
12	30-Apr-15	Steve Miller, Lodi Unified School District	Is equipment replacement classified as public project	L. Apgar	30-Apr-15	Complete	30-Apr-2015
13	29-Apr-15	Mick Grimes, Twain Harte Community Service District	Construction Trade Journal Listing	L. Apgar	29-Apr-15	Complete	29-Apr-2015
14	28-Apr-15	Rita Sohal, Union School District	Participating Agency Listing	L. Apgar	28-Apr-15	Complete	27-Apr-2015
15	27-Apr-15	Nina Negranti, Legal Counsel for County of San Luis Obispo	Questions on CUCAC and conflicts with job orders	L. Apgar	27-Apr-15	Complete	27-Apr-2015
16	23-Apr-15	ewekneek@comcast.net	Maintenance of Contractor Bidder Listing	L. Apgar	28-Apr-15	Complete 04-29-15 Awaiting chair's approval of draft response. 04-30-15 L. Apgar sent follow up email to George Hicks requesting approval of draft response.	1-May-2015
17	23-Apr-15	Deborah Stampfli, Susanville Sanitary District	Joining to participate in the Act	L. Apgar	23-Apr-15	Complete	23-Apr-2015
18	20-Apr-15	Ben Wallace of Contra Costa Conservation District	Question about participating in the Act	L. Apgar	21-Apr-15	Complete	22-Apr-2015
19	13-Apr-15	Sally Riley, CIFAC	March Meeting Minutes	L. Apgar	13-Apr-15	Complete	13-Apr-2015
20	07-Apr-15	Natasha Powers, Vallejo Unified School District	How to opt into the Act	L. Apgar	07-Apr-15	Complete	7-Apr-2015
21	06-Apr-15	Erika Cortez, KYA Services LLC	CUPCCA Registration	L. Apgar	07-Apr-15	Complete	7-Apr-2015
22	06-Apr-15	Natasha Powers, Vallejo Unified School District	Questions about Vallejo's affiliation	L. Apgar	07-Apr-15	Complete	7-Apr-2015
23	02-Apr-15	Erika Cortez, KYA Services LLC	CUPCCA Registration	L. Apgar	02-Apr-15	Complete	2-Apr-2015

Commission Update
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No.	Date Received	Organization Requesting	Subject Title	Assigned To	Date Courtesy Receipt Sent	Status	Date of Completion
24	27-Mar-15	Ellison Wilson Advocacy	March 18th CUCCAC Meeting	L. Apgar	27-Mar-15	Complete 03-27-15 Explained to constituent that draft meeting minutes are not available until 10 days prior to the next CUCCAC meeting. 03-28-15 Contacted Chair and Vice Chair for approval of draft meeting minutes for posting to web page	3-Apr-2015
25	02-Apr-15	Erika Cortez, KYA Services LLC	CUPCCA Registration	L. Apgar	02-Apr-15	Complete (Receipt via phone)	2-Apr-2015
26	27-Mar-15	Ellison Wilson Advocacy	March 18th CUCCAC Meeting	L. Apgar	27-Mar-15	Complete	3-Apr-2015
27	26-Mar-15	Mr. Murray	Additional requirements imposed by agency	L. Apgar	26-Mar-15	Complete	27-Mar-2015
28	24-Mar-15	Ms, Olvera, Chatom Union School District	Sample Ordinance	L. Apgar	24-Mar-15	Complete	24-Mar-2015
29	19-Mar-15	Ellison Wilson Advocacy	March 18th CUCCAC Meeting	L. Apgar	19-Mar-15	Complete	19-Mar-2015
30	13-Mar-15	John Farrar, Riverside County Waste Management	County-by-County Construction Trade Journal Listing	L. Apgar	N/A	Complete	13-Mar-2015

9. **The Public Contract Code section 22034(a) states “the agency shall maintain a list of qualified contractors¹...”. What is meant by the term “qualified contractors”?**

The term “qualified contractors” is intended to define contractors who request to be added to an agencies list for specified types of specialty work and are licensed and otherwise legally qualified to perform that work as licensed contractors. In addition, 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 contractor’s lists. This change will be added to the language on Section 3, page 7, of the *Cost Accounting Policies and Procedures Manual*.

¹ The term Qualified Contractors is pending legislative change. The proposed term is Registered Contractors.

20. **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?**

No. The Commission has ruled in the past that where the Act is silent, the ~~standard-Public Contract Code~~ applies.

21. **If signatory agencies ~~that~~ are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?**

Yes, a complaint can be brought to the Commission. PCC 22042 lists the categories of complaints that the Commission can consider.

23. **May an agency contract separately for like work at the same site at the same time using the under \$45,000 Force Account method?**

Only as long as the total of all jobs is less than \$45,000, otherwise the work falls under the informal contract limit of \$175,000 or the formal bidding process.~~No.~~

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

— Yes, there is no violation if the work is being competitively bid under PCC 20118.4. 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 limit will apply.

~~27-25.~~ How does an agency 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, under the Act, the limit is \$175,000 including any change orders. If the agency is a school district, there may be additional limits and it is recommended the agency consult with their legal counsel for interpretation of change order limits for their region.

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



California Uniform Construction Cost Accounting Commission

State Controller's Office – Division of Accounting & Reporting

3301 C Street, Suite 500, Sacramento, California 95816

http://www.sco.ca.gov/ard_cuccac.html

June 17, 2015

CATHRYN A. HILLIARD, Executive Director
CONSTRUCTION INDUSTRY FORCE ACCOUNT COUNCIL (CIFAC)
837 Arnold Drive, Suite 200
Martinez, CA 94553

RE: CIFAC REQUEST FOR CLARIFICATION, July 28, 2014
Job Order Contracting, County of Ventura

Dear Ms. Hilliard:

Thank you for your request for clarification received by the California Uniform Construction Cost Accounting Commission. We have reviewed your concerns with regards to the County of Ventura's use of Job Order Contracts related to the informal bid limits and processes as governed by the PCC and the Act and under the supervision of the CUCCAC.

Our considered opinion is as follows:

- The issuance of an original JOC must be done pursuant to the Act. Specifically, the JOC contracting procedures must comply with the notification, advertisement, and award provisions of the Act.
- There is no limitation to JOC contracting imposed by the Act for work which does not qualify as a "Project" under PCC 22002(c).
- In accordance with the State Attorney General opinion (76 Op. Atty. Gen 126,7-14-93), no work which could be classified as a "Project" under the Act may be performed under a JOC by a county signatory to the Act if the value of the task order exceeds the Act's informal bid limit (currently \$175,000).

Where agencies use *informally bid* job order contracts (JOC), they must comply with Section 22030-22045 of the Public Contract Code (PCC). JOC task orders for work which qualifies as a "public project" as defined by Section 22002 of the PCC must not exceed the informal bid limit (currently \$175,000) when informally bid.

TO: Ms. Cathryn Hilliard, CIFAC
June 17, 2015
Page 2 of 2

The Act does not preclude the issuance of a JOC with task orders in excess of the informal bid limit. In this case, any JOC which includes work defined as a "public project" with a task order value in excess of the informal bid limit must be bid formally in compliance with the requirements of PCC section 22037.

Should you have any other questions regarding this matter, please do not hesitate to contact me.

Sincerely,

George Hicks
Chairman, CUCCAC

GH:ljc

ELLISON WILSON ADVOCACY, LLC
GOVERNMENTAL AFFAIRS - LEGISLATIVE ADVOCACY

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PATRICK WHALEN
Legislative Advocate
Attorney at Law

BOB WILSON
Attorney at Law
Member, California State Senate (ret.)
Member, California State Assembly (ret.)

KIRK BLACKBURN
Legislative Advocate
Attorney at Law

June 8, 2015

Richard Chivaro
Chief Counsel, California State Controller's Office
P.O. Box 942850
Sacramento, California 94250-5872

Lili Apgar, Fiscal Analyst
State Controller's Office
Local Government Policy Section
P.O. Box 942850
Sacramento, California 94250-5872

Re: Job Order Contracting Clarification under CUCCAC

Dear Commissioners:

We are writing on behalf of the Gordian Group, a nationwide company that assists local governments with implementing and managing job order contract ("JOC") programs for the procurement of minor construction and renovation projects. The Gordian Group supports a number of signatories to the California Uniform Public Construction Cost Accounting Act ("the Act") and is very supportive of the mission of the California Uniform Construction Cost Accounting Commission. The Gordian Group tries to assist our client agencies in implementing cost effective procurement tools while also adhering to the requirements of the Public Contract Code and any other applicable rules and regulations. In that spirit, we are seeking clarification on the interplay between the Act and other provisions of the Public Contract Code which specifically allows counties to use unit price annual contracts for "for repair, remodeling, or other repetitive work" but not for any new construction. (Pub. Con. Code §20128.5)

As you know, the Act currently defines a public project as "construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility." (Pub. Con. Code §22002, subd. (c)(1).) By definition, this includes both new construction and repair work. There is a potential for confusion when counties in California are signatories to the Act but also utilize JOC under section 20128.5.

In response to an inquiry by CIFAC which touched on the ambiguity, it is our understanding that the Commission recently rendered an interpretation and opinion that sought to harmonize the two statutory

provisions. Based on that opinion, and in an effort to help provide our clients with information that is consistent with the law and the view of the Commission, we are seeking clarification on the following questions.

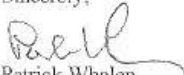
Can you confirm that when county signatories to the Act enter, pursuant to PCC 20128.5, into annual contracts for repair and renovation work – not new construction – counties should utilize the traditional formal bid process for the execution of the JOC? Similarly, can you confirm that when such counties issue individual job orders under formally bid JOCs, those job orders may not be for any new construction, and are subject to the dollars limitations in section 20128.5?

We note that such an interpretation allows signatories to the Act to continue to use the existing statutory dollar limits for any public projects that involve any new construction under informal bid procedures, while simultaneously allows them to utilize the proven benefits of JOC for repair and renovation projects.

Because there is a fair amount of confusion among our various county clients, we look forward to receipt of a letter from the Commission clarifying our understanding is correct.

Thank you in advance for your attention to this matter.

Sincerely,


Patrick Whalen

STATE OF
WASHINGTON
2018 JUN 19



Steve Harris, President

Dave Thomas, Vice President

Bill Koponen, Secretary

Mike Hester, Treasurer

June 23, 2015

George Hicks, Chair
and Members of the California Uniform Construction Cost Accounting Commission
c/o State Controller's Office
Local Government Policies Section
P.O. Box 942850
Sacramento, CA 94250

RE: CUCCAC letter dated June 17, 2015 to address
CIFAC Request for Clarification, July 28, 2014

Dear Chairperson Hicks and Commissioners:

It is CIFAC's position, as supported by the California Public Contract Code (PCC) and as stated in the Attorney General's Opinion No. 92-1006, July 14, 1993, Volume 76, Page 126, Job Order Contracts are for "repair, remodeling, or other repetitive work and not new construction." Based on these facts and documents as previously presented regarding the County of Ventura, CIFAC would like to respectfully request the Commission to reconsider their determination regarding CUCCAA and Job Order Contracting.

Although CUCCAC references the Attorney General's Opinion No 92-1006 in their determination, we ask that you carefully reconsider the following points as they are stated in the Attorney General's Opinion:

- JOC calls only for repair, remodeling, or other repetitive work and not new construction.
- A public project, or public works project, does not encompass a combination of projects which are essentially unspecified at the time of bidding.
- Unit price contracting authority is specially granted and subject to the specified limitations.

We are confident upon the Commission's re-evaluation of Attorney General's Opinion No 92-1006, you will find it to be not relevant in the matter of the County of Ventura utilizing JOC's for new construction. The California Public Contract Code is clear in its definition of a Job Order Contract in §20128.5. The Act (for new construction) and Job Order Contracting (for maintenance) are two separate delivery methods and were not intended to be combined for streamlining the bidding process. Furthermore, the Act does not give the authority to imply there is no limitation to a JOC whereas JOC's are expressly limited in the PCC. We urge the Commission to reconsider its position on the use of JOC for new Construction under the informal bidding procedures of the Act as there is no provision for this anywhere in statute.

Sincerely,

Cathryn A. Hilliard
Executive Director
Construction Industry Force Account Council (CIFAC)

Shari Bacon
Southern Region Field Representative

Attachments: Attorney General's Opinion No. 92-1006, July 14, 1993, Volume 76, Page 126

ELLISON WILSON ADVOCACY, LLC
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June 8, 2015

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In response to an inquiry by CIFAC which touched on the ambiguity, it is our understanding that the Commission recently rendered an interpretation and opinion that sought to harmonize the two statutory

provisions. Based on that opinion, and in an effort to help provide our clients with information that is consistent with the law and the view of the Commission, we are seeking clarification on the following questions.

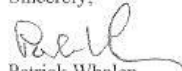
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Thank you in advance for your attention to this matter.

Sincerely,


Patrick Whalen

STATE OF
NEW YORK
2015 JUN 15 PM 6:50
STATE OF NEW YORK

February 3, 2014

SUBJECT: REQUEST FOR YOUR SUPPORT FOR THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING COMMISSION (CUCCAC)

Dear _____:

As a current member and officer of the Commission, please join us in supporting CUCCAC with a contribution of \$2500. This contribution strengthens the Commission's ability to ensure the evenhanded 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 experienced some of the benefits of membership such as the creation of the Cost Accounting Procedures Manual (currently being updated) that mandates local governments' use of the Public Contract Code and requires them to solicit bids. It includes rules that limit the use of force account or day labor to undertake public works construction and major maintenance that licensed contractors should be doing.

You also have access to a Commission whose composition is fairly balanced between private and public sector representatives of the public works construction industry, and who can, hopefully, settle accounting disputes keeping both sides out of court, thus avoiding expensive legal fees. The Commission also makes recommendations to the State Controller to determine force account limits and bidding thresholds as needed.

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. We now need industry support in order to continue to provide these valuable services.

1 of 2 |

Agenda Item 10b

Your contribution will be used to: conduct cost accounting reviews with independent accounting consultants as complaints are filed, update the Cost Accounting Manual (in process), maintain a website for easy access to the rules and sample templates, work with the legislature to continue to both hold the line and adapt the code to changing times and challenges, and 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" and, at your earliest convenience, sending your contribution to:

State Controller's Office
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

ATTN: Lili Aggar

Thank you so much for your support.

Sincerely,

L. J. Clifford, Commissioner
Vice Chair, CUCCAC CFO,
C.C. Myers, Inc.

February 14, 2014

SUBJECT: REQUEST FOR YOUR SUPPORT FOR THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING COMMISSION (CUCCAC)

Dear _____:

As a current member and officer of the Commission, I am asking for _____ to support 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 (the Act) as intended when it was enacted in 1983 — more than 30 years ago.

School districts that have opted into the Act, experience the benefit of increased limits to their bidding thresholds for public works projects. The higher limits allows school districts to complete more small projects without the limitations of competitive bidding. In addition, the tiered limits provide a fair and competitive process for projects that are more substantial in size.

The Commission, comprised of a balance of private and public sector representatives, provides supports to member districts through commissioners who are knowledgeable in their respective divisions. It is tasked with maintaining the California Uniform Public Construction Cost Accounting Manual, recommending legislative changes to the Public Contract Code, making recommendations to the State Controller to determine force account limits and bidding thresholds as needed, keeping abreast of legislative changes that affect member districts, providing training in the use of the Act, and hearing and attempting to settle disputes between contractors, private citizens, and districts, keeping both sides out of court and thus avoiding expensive legal fees.

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. Commissioners do this gladly, however we need your support in order to continue to provide these valuable services.

1 of 2

Agenda Item 10b

Your contribution of \$2,500 or any amount you are able to provide, will be used to: provide training to public agencies on compliance with the Act, conduct cost accounting reviews with independent accounting consultants as complaints are filed, update the Cost Accounting Manual (in process), maintain a website for easy access to the rules and sample templates, work with the legislature to continue to adapt the code to changing times and challenges, and periodically review force account and bidding rules to ensure that they are relevant and keeping pace with today's demands.

Please help us by making your check payable to the "State of California" and note in the memo portion "for CUCCAC" and, at your earliest convenience, sending your contribution to:

State Controller's Office
Division of Accounting & Reporting
3301 C Street, Suite 500
Sacramento, CA 95816

Attn: Lili Appgar

It would also be greatly appreciated if you would drop me an e-mail when you mail your check so I can make sure that the CUCCAC account is properly credited. Thank you!

Sincerely,

Guiselle Carreon, Commissioner
Secretary Treasurer, CUCCAC

This letter is to inform you and _____ ("_____") that the _____ has been determined by our commission to be in violation of the Uniform Public Construction Cost Accounting Act (Act) on the _____ project started on or about _____. The Construction Industry Force Account Council (CIFAC) filed a formal complaint with our commission on _____, and sent a letter to you on the same date (a copy of the complaint is enclosed) stating that the _____ had violated Public Contract Code by failing to publicly declare the work to be performed by force account prior to commencing the work which is required under PCC 22031 (e) thereby exceeding the _____ force account limit as established in PCC 22032 (a).

The commission received both testimony and a letter from the _____ however neither rebutted the facts as indicated in the CIFAC complaint; therefore, our decision was based on the facts as presented by CIFAC and after consideration of your testimony and written response. As a signatory member of the Act, and pursuant to Public Contract Code 22044, you must agenda this item and present the commission's findings in a public meeting to your governing body within 30 days of receipt of this letter. Please send a copy of your minutes for said presentation addressed to the commission at the address found below. *We request that you present a copy of this letter in the public report to your governing body so that we can confirm that your governing body is in receipt of this notice.*

In addition, pursuant to Public Contract Code Section 22044.5, if the commission finds any public agency out of compliance with the requirements of the Act on three separate occasions within a ten (10) year period, that agency will be barred from using the provisions of the Act for a period of five years. This finding will be held on record as the _____ first violation under this section of law.

Dear Mr./Ms. _____:

The (*complainant*) filed a request with the California Uniform Construction Cost Accounting Commission (Commission) to perform an account review of the (*project*) within the (*agency name*). (*Complainant*) reported/presented evidence that the work undertaken by the public agency (*violation*), pursuant to Public Contract Code (PCC) section 22042(a)/(b)/(c).

- (a) *Is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.*
- (b) *Exceeded the force account limits.*
- (c) *Has been improperly classified as maintenance.*

After consideration of the evidence and deliberation, the Commission determined that the (*agency*) did violate the Uniform Public Construction Cost Accounting Act (Act) by (*violation*) in performing (*project*). The Commission concluded this violation occurred due to (*reason and Public Contract Code section*). This is the (*number*) violation by the (*agency*) within a ten-year period.

Based on (*comments, testimony, or communication*), it is the Commission's understanding that this issue will be addressed by the (*agency*). Pursuant to PCC section 22044(b), the (*agency*) "...shall present the commission's findings to its governing body and that governing body shall conduct a public hearing with regard to the commission's findings within 30 days of receipt of the findings." A copy of this letter shall be made part of the record transmitted to the governing body in support of the public hearing.

Upon conclusion of the public hearing on this matter, please submit a copy of the (*agency*) governing board's meeting minutes by mail to:

California Uniform Construction Cost Accounting Commission
c/o State Controller's Office
Division of Accounting and Reporting
Local Government Policy Section
P.O. Box 942850
Sacramento, California 94250

If you have any questions regarding this matter, please contact me at (707) 428-7493.

Sincerely,

GEORGE HICKS, Chair

cc: (*Complainant*) (via email)
Robert Szabo, State Controller's Office (via email)