

California Uniform Construction Cost Accounting Commission

Minutes of Friday, September 15, 2023

The following minutes are not official and are subject to change until approved by the California Uniform Construction Cost Accounting Commission (Commission) at a subsequent public meeting.

1. Call to Order

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

Commissioners present: John Nunan, Leeann Errotabere, Will Clemens, Mike James, Johannes Hovertsz, Chad Rinde, Jeremy Smith, and Jennifer Wakeman.

Commissioners present via Teleconference: Nathaniel Holt, Eddie Bernacchi, Chuck Poss, and Peter Worhunsky

Excused Absences: Hertz Ramirez

State Controller's Office Staff present: Jia Liu, Luis Gonzalez, and Ethan Jaffe

Members of the Public present: Tony Morelli

2. Introductions

Mr. Gonzalez from the State Controller's Office (SCO) conducted roll call.

3. Approval of the Minutes

A. Meeting held on May 12, 2023

There were no comments from the Commission or the public.

Commissioner James motioned to approve the meeting minutes of May 12, 2023 without any changes. Commissioner Wakeman seconded the motion.

The motion passed unanimously 12-0 on a roll call vote.

4. Commission Updates

A. Participating Agencies

Mr. Gonzalez, SCO staff, presented an update on participating agencies, noting that SCO had received 28 resolutions from agencies that opted into the California Uniform Public Construction Cost Accounting Act (Act) since the previous meeting. The 28 new participating agencies include 2 cities, 11 special districts, and 15 school districts. The number of agencies participating in the Act, including

newly opted-in agencies, currently totals 1,563. He also noted that one agency had opted out of the Act.

There were no further questions or public comments.

B. Funding Update

Mr. Gonzalez reported that SCO received three grants since the last meeting at the time of the preparation of the meeting documents. The California Construction Advancement Program donated a total of \$1,250.00 for the first and second quarters of 2023. The California Legislative Conference of the Plumbing, Heating, and Piping Industry donated a total \$1,500.00. There were five travel claims from commissioners totaling \$2,675.50. A total of \$17,375.58 is available for unrestricted funds and travel reimbursement for the Commission to use.

C. Inquiry Update

Mr. Gonzalez presented a report on inquiries received since the last meeting. He stated that SCO received 30 inquiries following the meeting held on May 12th.

Chair Nunan called for questions concerning the inquiries. There were none.

5. Public Comments

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

There were no comments from the public at this time.

6. Staff Comments/Requests

A. SCO Staff Update

Mr. Gonzalez gave notice that Daniel Basso had left the SCO Local Government Policy Unit.

B. Ethics Courses & Form 700

Mr. Gonzalez stated that he will be sending out reminders for commissioners to complete their ethics course requirements and for their Form 700s.

C. Appointment & Reappointment Updates

Mr. Gonzalez noted that reappointments to the Commission are experiencing some delays, but that notices will be sent out as soon as the reappointments are confirmed.

7. Reports of Officers

A. Chair

Chair Nunan welcomed Mr. Gonzalez as the SCO Liaison to CUCCAC. He then mentioned the next meeting will be held at the State Controller's Office C Street

location. Chair Nunan congratulated Vice Chair Errotabere on her retirement and noted that she will be staying on CUCCAC for the remainder of her term.

B. Vice Chair

Vice-Chair Errotabere started off by sharing the types of inquiries she has received from school districts and the resources she has shared with those districts. She reported that she has put in a request to give a presentation on the Act at the California Association of School Business Officials and anticipates that it will be approved by the association.

C. Secretary

Commissioner Holt shared his interest in giving a CUPCCAA presentation at the conference held by the California Association of Public Procurement Officials in January.

8. Committee Reports

A. CUCCAC Manual

I. Proposed changes – Legislative updates

Nothing to report

II. Proposed changes – Non-Legislative updates

Nothing to report

9. Commissioner Comments/Requests

Commissioner Rinde shared that he been contacted by San Benito County and had shared his personal experience with the Act. He anticipates that San Benito County will have more inquiries for the Commission in the future.

Commissioner Clemens reported that the CUPCCAA presentation he gave at the California Special Districts Association's annual conference was well received. Commissioner Clemens stated the reasons he believes special districts are not joining the Act include lack of awareness of the Act for small special districts, and that the name of the Act does not reflect the intent of the Act. The Commission discussed the challenges that might result by changing the name of the Act.

10. Old Business

A. Proposed Changes to CUPCCA

Commissioner Bernacchi began by explaining that the proposed changes had been disseminated through the construction industry, organized labor, and the public agency associations. He introduced a change suggested by electrical workers to update the definition of a public project to match California Labor Code section 1720. He explained the next step for the commission is to find an author and introduce the bill to the California Legislature in January of 2024.

Chair Nunan called for comments regarding the proposed changes to the Act. Commissioner Clemens shared his concerns to the proposed changes to California Public Contract Code (PCC) section 22042. He explained that currently an agency may only get a strike against them for improper use of their own forces, but the proposed changes will allow the Commission to give agencies a strike for violating the bidding procedures.

Commissioner Rinde shared his concerns that the bidding thresholds may be too low. The Commission discussed the concerns of inflation increasing the costs of what some agencies may consider to be small projects and the challenges those agencies face with finding contractors, going through the bidding process, and getting the projects done in a timely manner.

Commissioner Clemens introduced the idea of adding an additional lower limit for projects. One limit would remain for the use of force account and the other limit would be for the use of contractors through purchase orders or negotiated contracts. Commissioner Rinde proposed continuing to increase the force account limit for the types of agencies that utilize the force account.

Commissioner Poss shared his concerns with the informal bid threshold and agencies who may contract with the intent to use a change order to go over the limit. Commissioner Bernacchi recommended looking at existing statutes as to how change orders have impacted bidding limits.

The Commission agreed to form a new working committee to review the proposed changes to the Act. Commissioners Errotabere, Clemens, Smith, Bernacchi, Poss, and Rinde were selected to form the working committee.

Commissioner Clemens suggested removing PCC 22015(b) from the Act. The Commission discussed replacing the travel reimbursement rates in the statute with alternative reimbursement rates, such as the federal rate.

Commissioner Errotabere suggested revisiting the topic of removing the requirement for CUPCCAA agencies to advertise in their local newspapers. She offered Assembly Bill 721, which would remove the requirement for school districts to publish a public notice of their annual budget in local newspapers, as setting the path to introducing a similar bill to amend the Act. Commissioner Errotabere discussed the advantages to public agencies if the requirement were removed. Commissioner Bernacchi gave a history of the Commission's attempts to make this change in the past and the opposition the bill faced.

11. New Business

Nothing to report.

12. Next Meeting

The Commission settled on the date of December 8, 2023 for the next meeting.

The Commission agreed to schedule the next meeting for:

Friday, December 8, 2023
10:00 a.m. – 12:00 p.m.
California State Controller's Office
3301 C Street
Buckeye Meeting Room
Sacramento, CA 95816

13. Adjournment

Chair Nunan moved to adjourn the meeting at 11:17 a.m., all in favor with zero opposing to adjourn.

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

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