

## California Uniform Construction Cost Accounting Commission

### Meeting Agenda

Monday, November 7, 2016

10:00AM – 2:00PM

Teleconference Number: (888) 278-0296

Participation Code: 221558

#### Locations

##### **California State Controller's Office**

300 Capitol Mall

6<sup>th</sup> Floor, Terrace Room

Sacramento, CA 95814

##### **Pomona Unified School District**

Room 117

800 South Garey Ave.

Pomona, CA 92832

(909) 397-4800

##### **Papich Construction Co., Inc.**

3349 W. Belmont Avenue

Fresno, CA 93721

(559) 565-5040

##### **Santa Cruz Harbor**

135 5<sup>th</sup> Avenue

Santa Cruz, CA 95062

(831) 475-6161

#### **Attendance**

California Uniform Construction Cost Accounting Commission		
<i>Name</i>	<i>Position</i>	<i>Representing</i>
Linda Clifford, Chair	Consultant	Contractors State License Board
Will Clemens, Vice Chair	Central Service Department, Director	County of San Luis Obispo – Counties
Guiselle Carreon, Secretary	Commercial Warrants and Accounts Payable Manager	San Diego County Office of Education- School Districts
Jeff Armstrong	Apprenticeship Director	Northern California Laborers' Union – Labor
Eddie Bernacchi	President	NECA-Politico Group – Subcontractors
Robert Campbell	Auditor-Controller	County of Contra Costa – Counties
David Cruce	Vice President of Business Development, Estimating and Materials	Papich Construction Co., Inc. - General Contractors
Lisa Ekers	Port Director	Santa Cruz Harbor – Special Districts
Steven L. Hartwig	Deputy Public Works Director	City of American Canyon - Cities
Michael R. Hester	President	McGuire and Hester – Subcontractors

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California Uniform Construction Cost Accounting Commission		
<i>Name</i>	<i>Position</i>	<i>Representing</i>
George Hicks	Director of Public Works	City of Fairfield – Cities
Nathaniel Holt	Director of Purchasing and Capital Facilities	Pomona Unified School District – School Districts
Ken A. Kayser	Construction Consultant	General Contractors
Cesar Diaz	Legislative Director	State Building and Construction Trades Council AFL - CIO - Labor

State Controller's Office		
<i>Name</i>	<i>Position</i>	<i>Representing</i>
Ron Placet	Staff Counsel	State Controller's Office
Hitomi Sekine	Bureau Chief	Local Government Policy Section
Anita Dagan	Manager	Local Government Policy Section
Jenny Jones	Supervisor	Local Government Policy Section
Debbie Torres	Fiscal Analyst	Local Government Policy Section
Michael Gungon	Fiscal Analyst	Local Government Policy Section

## Meeting Agenda

1. **Call to Order**
2. **Introductions**
3. **Approval of the Minutes (Refer to attachment Item 3A)**
  - A. Meeting on July 8, 2016
4. **Commission Update (Refer to attachment Item 4AI, 4AII, 4BI, 4BII, and 4C)**
  - A. Participating Agencies
    - I. Update
    - II. Public agency notification letter
  - B. Funding
    - I. Update
    - II. Sample donation letter
  - C. Inquiry Update
  - D. Commission Vacancy
5. **Public Comment**

**6. Staff Comments/Requests (Refer to attachment Item 6A and 6B)**

- A. Amended Bylaws
- B. Travel Claims (Form STD 204)

**7. Reports of Officers**

- A. Chair
- B. Vice Chair
- C. Secretary

**8. Committee Reports (Refer to attachment Item 8A & 8B)**

- A. Frequently Asked Questions (FAQ's)
  - I. Review and Discuss question #22 and #26
- B. Legislative Update
  - I. Identify future legislative changes if needed.
- C. CUCCAC Manual Update
  - I. Current status of manual
  - II. Proposed changes - non - legislative
  - III. Proposed changes - legislative

**9. Commissioner Comments/Requests**

**10. Old Business**

**11. New Business**

- A. Volunteer work/California Conservation Corp.

**12. Next Meeting**

**13. Adjournment**

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

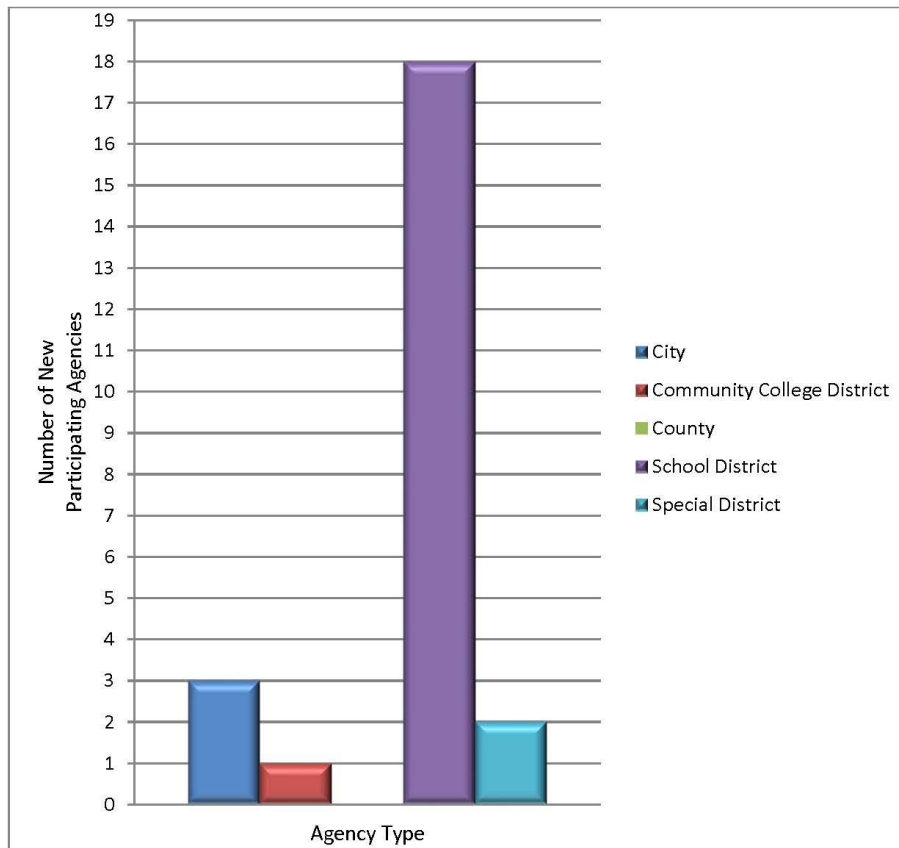
State Controller's Office  
Local Government Policy Section  
[localgovpolicy@sco.ca.gov](mailto:localgovpolicy@sco.ca.gov)

Commission Update  
For the period July 1st-October 17, 2016

**4A I. Report on new participating agencies**

The State Controller's Office has received twenty-one (21) new agencies along with three (3) additional resolutions who have already opted into the CUPCCAA, bringing the number of agencies "officially" verified as participating in the Act to 1019. Reconciliation of participating agencies by SCO is continually ongoing.

New Participating Agencies





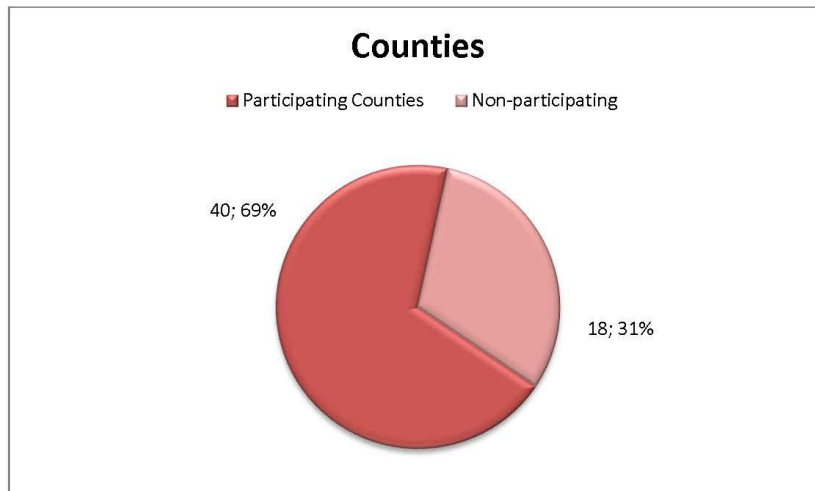
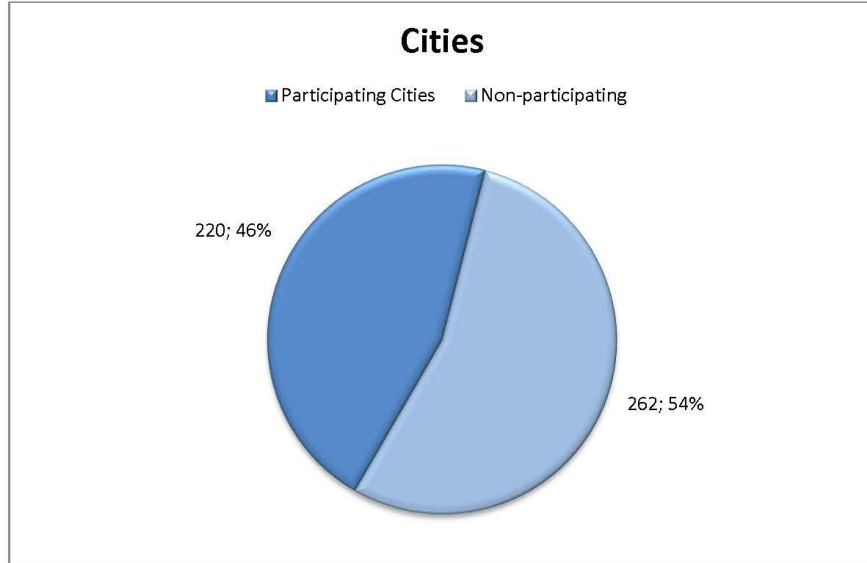
Commission Update  
For the period July 1st-October 17, 2016

	Agency	Date Opted In	Agency Type
1	Foothill-De Anza Community College District	4/4/2016	School District
2	South Pasadena	6/6/2016	City
3	Napa County Office of Education	6/7/2016	School District
4	Lompoc Unified School District	6/14/2016	School District
5	Mariposa County Office of Education	6/16/2016	School District
6	Mariposa County Unified School District	6/16/2016	School District
7	Alpine County Office of Education	6/23/2016	School District
8	Alpine County Unified School District	6/23/2016	School District
9	Cotati-Rohnert Park	6/28/2016	School District
10	Antelope Valley College	7/11/2016	School District
11	Corning Union Elementary School District	7/12/2016	School District
12	City of Ontario	7/19/2016	City
13	Sausalito School District	7/19/2016	School District
14	Sausalito-Marin City Sanitary District	8/1/2016	Special District
15	Northern Humboldt Union High School District	8/9/2016	School District
16	Upper Lake Unified School District	8/9/2016	School District
17	Palmeron Union School District	8/17/2016	School District
18	Thermalito Union Elementary School District	8/25/2016	School District
19	Pacific Union School District	9/8/2016	School District
20	Porterville Unified School District	9/8/2016	School District
21	Golden Plains Unified School District	9/13/2016	School District

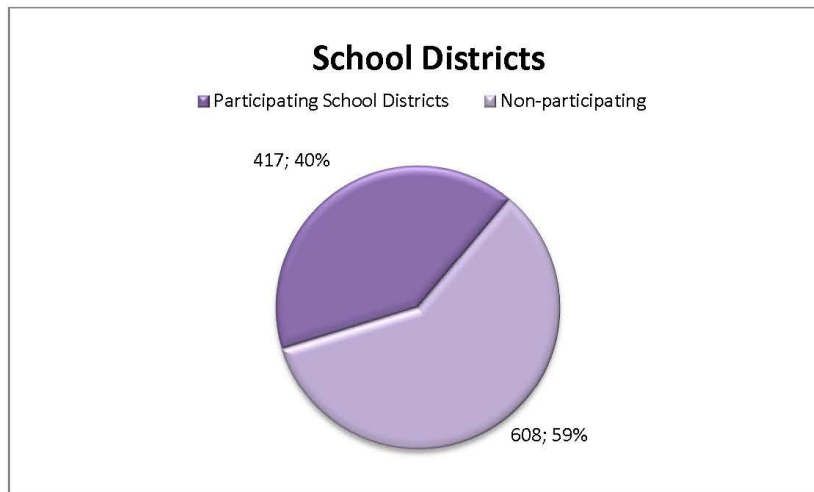
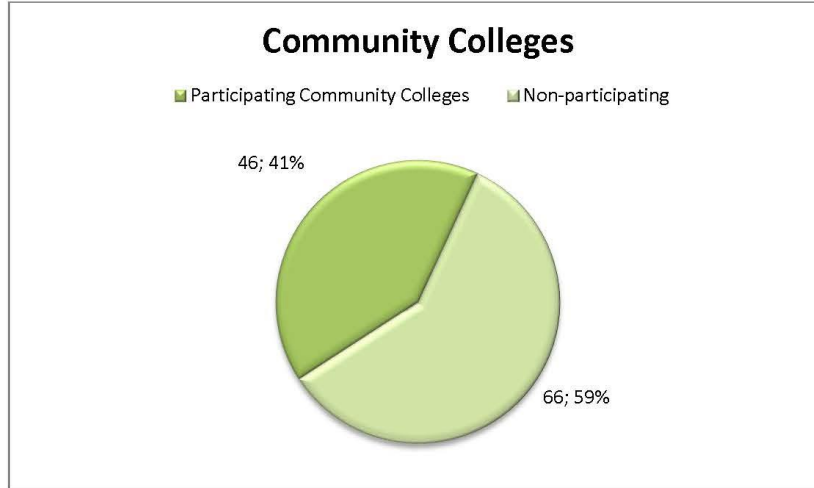
*Additionally, the State Controller's Office has recently received resolutions from several agencies that had previously elected to opt into the Act. Those agencies have been added to the CUCCAC Database and are listed below:*

	Agency	Date Opted In	Agency Type
1	Twain Harte Community Services District	9/11/2006	Special District
2	Woodland Joint Unified School District	2/12/2009	School District
3	City of Concord	3/26/2013	City
4			
5			
6			
7			
8			
9			

Commission Update  
For the period July 1st-October 17, 2016



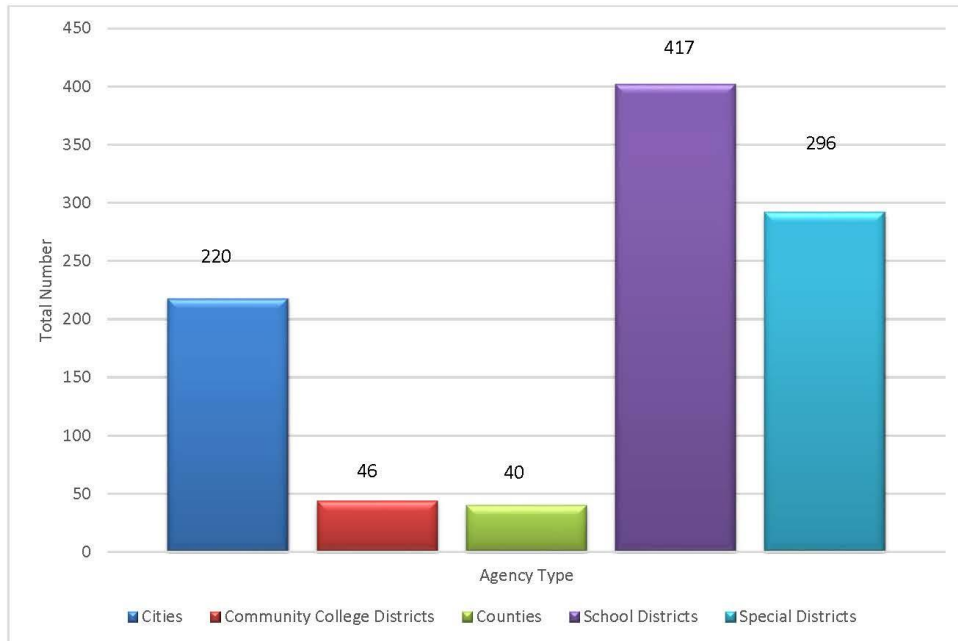
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For the period July 1st-October 17, 2016



Commission Update  
For the period July 1st-October 17, 2016



Total Participating Agencies (1019)



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Port Director  
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Date

Name

Address

Address

**RE: Notification of Changes to the Uniform Public Construction Cost Accounting Act**

To Whom It May Concern:

The purpose of this letter is to highlight the provisions and benefits of the Uniform Public Construction Cost Accounting Act (Act), which provides public agencies economic benefits and greater freedom to expedite public works projects. If your agency elects to utilize the Act, it will benefit from expanded force-account authority, increased bid limits and a more informal bidding procedure.

Established in 1983, the Act amended the Public Contract Code to provide more flexible and expedited bidding and contract award procedures to participating public agencies. The Act is unique in that participation and utilization of its provisions are not mandatory. Any city county, special district, school district and community college district can voluntarily elect to become a participant of the Act. After opting into the Act by resolution/ordinance of its governing body, participants enjoy the advantage of streamlined awards process, as well as reductions in advertising requirements and other reporting paperwork. In return, signatory agencies agree to provide cost accounting information in the format prescribed in the Cost Accounting Policies and Procedure Manual and to adhere to the terms of the Act until the agency formally opts out. The Act has been popular and successfully utilized by many public agencies. After approximately 30 years since its adoption, there are currently over 1,000 public agencies that have elected to utilize the Act.

In an effort to further improve the usefulness of the Act as a project delivery tool for participating public agencies, revisions have recently been made. These revisions include additional streamlining of the award process contained in the Act that favors public agencies.

The Act is governed by the California Uniform Construction Cost Accounting Commission (CUCCAC). The CUCCAC membership is comprised of representatives from both public agencies and the private construction industry. Every five years, the CUCCAC reviews the bid limits in the Act for inflation and

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other factors to determine when increases should be made. The most recent increases allow projects costing \$45,000 or less to be performed by employees of a public agency or contracted out without competitive bidding, projects costing up to \$175,000 can be let to contract by informal bidding procedures and awarded at the staff level, and projects over \$175,000 are to be let to contract by formal bidding procedures.

For more details or information, please contact the Division of Accounting and Reporting at (916) 327-8905 or visit our website at <http://www.sco.ca.gov/ard/local/cuccac>

Sincerely,

L. J. CLIFFORD, Chair

Commission Update  
For the period July 1st-October 17, 2016

**4B I. Funding update**

The Commission has \$8,854.90 of unrestricted donations available for use.

	<b>Conditional</b>	<b>Unconditional</b>	<b>Total</b>
Beginning Balance 6/29/2016	\$ 0	\$ 8,854.90	\$ 8,854.90
Donations received		0.00	0.00
Ending Balance 10/17/2016	\$ 0	\$ 8,854.90	\$ 8,854.90

**Note: Travel Expense Claims are now paid from SCO funds.**

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Address

Address

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

Dear XXXX,

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 experienced 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 performing.

As a member of our industry, you 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, 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 necessary. 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.



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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 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:

State Controller's Office  
Local Government Programs & Services Division  
3301 C Street, Suite 740  
Sacramento, CA 95816

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

Sincerely,

## By-Laws

**Created by the Uniform Public Construction Cost Accounting Act (Act) of 1983  
as amended and supported by the California State Controller's Office.**

### ARTICLE I ORGANIZATION

The name of the organization shall be California Uniform Construction Cost Accounting Commission<sup>1</sup> (the "Commission").

### ARTICLE II PURPOSES

The Commission is formed for the purposes, and shall fulfill the responsibilities, stipulated in Division 2, Part 2, Chapter 2 of the California Public Contract Code (the "Code"), beginning with Section 22000. All notices, meetings, and actions, of the Commission shall be in accordance with the Bagley-Keene Open Meeting Act.

### ARTICLE III MEMBERSHIP

The membership of the Commission shall be in accordance with the requirements of the Code. Members shall be referred to as Commissioners.

### ARTICLE IV MEETINGS

The Commission shall meet no less than annually<sup>2</sup> at which the next subsequent meeting date may be set. All meetings of the Commission shall be conducted in accordance with the requirements of the Bagley-Keene Open Meeting Act (Bagley-Keene). Written notice to the public of all scheduled meetings, and any related agendas or other documents shall be posted at the Commission's website in conformity with Bagley-Keene requirements. Each commissioner shall receive notification of scheduled meetings, and any related agendas or other documents, by mail, e-mail, or telephone, at the option of the State Controller's Office (SCO) support staff. The Commission shall meet as needed to render decision(s) on account reviews and may meet more than once per year with the concurrence of the SCO staff.

Meetings shall be held at a location as identified and provided by the SCO and agreed to by the Commissioners<sup>2</sup>.

The participation of a majority of the appointed Commissioners shall constitute a quorum and shall be necessary to conduct the business of the Commission. If the number of Commissioners participating in meeting drops below the number required for a quorum, the meeting may continue, but no further action may be taken, until such time as a quorum is re-established.

Meetings shall be conducted under Robert's Rules of Order. Parliamentary questions shall be resolved by the Chair in consultation with SCO staff.

<sup>1</sup> Public Contract Code (PCC) section 22010 creates the California Uniform Construction Cost Accounting Commission

<sup>2</sup> PCC section 22016 states, "the commission shall meet not less than once each year, at a time and place chosen by its membership."

#### ARTICLE V VOTING

At all meetings, all votes shall be by voice. The Commission will recognize ~~that~~ all votes will be taken by rollcall when one or more Commissioners participate in the meeting via teleconference, pursuant to the Bagley-Keene Open Meeting Act Government Code (GC)§11123.

Each Commissioner shall have one vote and such voting may not be done by proxy.

#### ARTICLE VI ORDER OF BUSINESS

1. Call to Order
2. Introductions
3. Approval of the Minutes of the preceding meeting
4. Commission Update
  - A. Oath of Office
  - B. Participating Agencies
    - i. New
    - ii. Withdrawing
  - C. Funding Update
  - D. Inquiry Update
5. Public Comment
6. Staff Comments /Requests
7. Reports of Officers
  - A. Chair
  - B. Vice Chair
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8. Committee Reports
  - A. Frequently Asked Questions
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    - iii. Proposed changes legislative
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11. New Business
12. Next Meeting
13. Adjournment

## ARTICLE VII COMMISSIONERS

The business of the Commission shall be managed by the Commissioners, including the officers of the Commission.

The Commissioners, with the support of the staff of the SCO, shall control and manage the affairs and business of the Commission. Commissioners shall act in the name of the Commission only when it shall be regularly convened by its Chairperson after due notice to all the Commissioners of such meeting.

The SCO shall have sole custody of the Commission's assets and shall act as the fiscal agent of the Commission.

The Commission may make such rules and regulations covering its meetings as it determines to be necessary, as long as such rules and regulations are in compliance with the Code and the Bagley-Keene Open Meeting Act.

The members of the Commission shall hold office for terms of three years, and until their successors are appointed.<sup>3</sup> Therefore, if a Commissioner is reappointed, the date the term expires is the same as the original appointment date. A newly appointed Commissioner would have a term that expires three years from the date that they are originally appointed.

Commissioner vacancies shall be filled in accordance with the Code<sup>4</sup>.

The Commissioners shall select among themselves a Chairperson, Vice Chairperson, and a Secretary. Said officers shall serve for two (2) years from the date of selection<sup>5</sup> or until they are removed for cause or retire, whichever is earlier. Officers may be elected for multiple years, not exceeding five (5) years in the same position. In no event shall two consecutive chairpersons be appointees representing either the construction industry or public agencies<sup>5</sup>.

Each Commissioner is expected to attend meetings and to participate either in person or via telephone.

Each Commissioner is expected to study the issues or problems which come before the Commission in order to contribute to the resolution process.

<sup>3</sup> Stated by PCC section 22014

<sup>4</sup> Defined by PCC sections 22010 to 22014

<sup>5</sup> Stated by PCC section 22013 \_\_\_\_\_

### **Resignation, termination, and absences:**

Resignation from the board must be in writing and received via email by the Chair and to the SCO Local Government Policy Section or hand delivered to the Chair at the next CUCCAC meeting.

A Commissioner ~~shall~~may be terminated from the Commission due to excess absences. An excess absence is defined as more than two unexcused absences from committee meetings in a calendar year. Determination of the legitimacy of the absence is up to the discretion of the Chair. Acceptable reasons for an excused absence would be, by way of example only: individual or family illness or health condition, death in the family, pregnancy, birth or adoption of a child, extraordinary one-time travel problems in attending the meeting, or one-time conflict in meeting times for committee members that serve on more than one committee.

Any absence is expected to be reported as soon as it is feasible to do so. Anticipated absences should be reported at least ten (10) business days prior to the scheduled meeting date to allow the Chair to make other arrangements, if necessary and/or possible. In cases where absences cannot be anticipated, notification shall be made at least 24 hours prior to the next meeting at which the Commissioner will not be attending or as far in advance of said meeting as possible.

It is understood that the Commission serves at the pleasure of the Controller. The Controller makes the final decision on terminations and appointments. The Commission can only make recommendations.

### **ARTICLE VIII OFFICERS**

The initial officers of the organization shall be as follows:

Chairperson:

Vice Chairperson:

Secretary:

The Chairperson shall preside at all Commission meetings.

He/she shall present at each annual meeting of the organization an annual report of the work of the organization.

He/she shall appoint all committee chairpersons, either temporary or permanent, after the Commission has voted by a majority to form a specific committee, either temporary or permanent.

He/she shall see that all books, reports, and certificates, required by law are properly kept or filed.

He/she shall have such powers as may be reasonably construed as belonging to the chief executive of any organization to the extent that such powers do not conflict with the powers granted to the State Controller under the Code.

The Vice Chairperson shall, in the event of the absence or inability of the Chairperson to exercise his/her office, become acting Chairperson of the Commission with all the rights, privileges, and powers, as if he/she had been the duly elected Chairperson.



The Secretary shall comply with the following:

Submit to the Commission any communications which shall be addressed to him/her as Secretary of the Commission.

Perform such duties as are reasonable and assigned by the Chairperson

Review financial reports from the SCO's assigned staff.

Rule on questions of order in consultation with SCO staff.

No officer shall, for reason of his office, be entitled to receive any salary or compensation, but shall be reimbursed for travel and other expenses necessarily incurred in the performance of the member's duties. Reimbursement rates shall conform to the Controller's travel guideline rates. Travel will only be reimbursed if there is sufficient funding.

#### **ARTICLE IX COMMITTEES**

All committees of the Commission shall be formed by the Commission and the members appointed by the Chairperson. They shall serve on the committee for a period of one year, or less if terminated by the action of the Commission. Committee members may be re-appointed for multiple years at the pleasure of the Chairperson.

#### **ARTICLE X AMENDMENTS**

These By-Laws may be altered, amended, repealed or added to by an affirmative vote by a majority of the Commissioners and approval by the SCO.

Adopted by the Commissioners on July 8, 2016.

#### **Ethics Training**

Pursuant to Government Code 11146, one of the CUCCAC member requirements is to complete the State Officials Ethics course within six months of assuming office and every two years (odd numbered year) thereafter. An interactive and non-interactive version of the course may be found on the Office of Attorney General's web site, <http://oag.ca.gov/ethics/course>. Certificates of completion must be provided to the SCO by mail or email.

In the event a Commissioner has already completed the State Officials Ethics course for their company, the course is not required to be taken again. A copy of the certificate of completion provided to the SCO is sufficient for meeting the requirement.

#### **Statement of Economic Interests**

The Political Reform Act established by Government Code section 81000 et seq., prohibits state and local public officials from using their position to influence a governmental decision in which he or she knows or has reason to know or has a financial interest. Upon establishing a Conflict of Interest Code, each agency's public officials must file a Statement of Economic Interests Form 700 with the Fair Political Practices Commission (FPPC).

## Item 6A

Commissioners must file the Form 700 within 30 days of assuming office, and annually thereafter by the April 1<sup>st</sup> deadline. The SCO is the Filing Officer for the Commission and will remind Commissioners of their duty to comply. Commissioners who file their Form 700 electronically with another agency must send their Form 700 with an original signature along with schedules to the SCO to file with the FPPC. The FPPC will send amendments if there are any error or if the form is incomplete. Should a Commissioner resign from the Commission, a Form 700 is required to be filed within 30 days of leaving office.

# BUDGET LETTER

SUBJECT: PAYEE DATA RECORD (STD. 204) REQUIREMENTS	NUMBER: 16-11
REFERENCES: STATE ADMINISTRATIVE MANUAL SECTIONS 8422.19 ET SEQ.	DATE ISSUED: July 5, 2016
	SUPERSEDES:

TO: Agency Secretaries  
 Department Directors  
 Departmental Budget and Accounting Officers  
 Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter (BL) reminds state departments of the Payee Data Record (STD. 204) reporting requirements and responsibilities. The purpose of the STD. 204 form is to obtain payee data for information reporting to ensure tax compliance with the Internal Revenue Service and/or Franchise Tax Board (FTB). Therefore, a completed STD. 204 must be on file with the state before payments are disbursed. Departments are responsible for collecting the completed STD. 204 from any non-governmental entity or individual entering into a business transaction which may lead to a payment from the state. Thus, the STD. 204 form is also required from non-state employees authorized to receive travel expense reimbursements from departments.

Furthermore, payments made to California non-residents may be subject to state income tax withholding. Departments are advised to review FTB Publication 1017 – Income Subject to Withholding and State Administrative Manual (SAM) sections 8422.195 and 8422.196 to ensure tax reporting requirements are met. Subject to the withholding criteria provided in FTB Publication 1017, there may be additional requirements and/or forms for non-resident payees to complete before payments are disbursed.

For more information on the STD. 204 form and reportable requirements, please refer to the SAM sections 8422.19 et seq. Departments should review these requirements and guidelines to ensure compliance with federal and state tax laws. As provided in SAM section 8422.19, the department's chief financial officer is the designated person responsible for ensuring compliance.

If you have questions regarding this BL, please contact the Fiscal Systems and Consulting Unit (FSCU) Hotline at (916) 324-0385 or e-mail: [fscuhotline@dof.ca.gov](mailto:fscuhotline@dof.ca.gov).

/s/ Veronica Chung-Ng

Veronica Chung-Ng  
 Program Budget Manager





1	<p><b><u>Requirement to Complete Payee Data Record, STD. 204</u></b></p> <p>A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies.</p> <p>Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code.</p>
2	<p>Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.</p>
3	<p>Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a).</p> <p>The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).</p>
4	<p><b><u>Are you a California resident or nonresident?</u></b></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:        Withholding Services and Compliance Section: 1-888-792-4900 E-mail address: wscs.gen@ftb.ca.gov        For hearing impaired with TDD, call: 1-800-822-6268 Website: www.ftb.ca.gov</p>
5	<p>Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>
6	<p>This section must be completed by the State agency requesting the STD. 204.</p>
	<p><b><u>Privacy Statement</u></b></p> <p>Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.</p> <p>It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and State law imposes noncompliance penalties of up to \$20,000.</p> <p>You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the State agency(ies) with which you transact that business.</p> <p>All questions should be referred to the requesting State agency listed on the bottom front of this form.</p>

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

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

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

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

The Act is part of the Public Contract Code therefore, if the Act is silent on a particular matter the rest of the Public Contract Code would apply.

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

No. The Commission cannot review any complaint of improper advertising by any public agency. The Commission can only review the accounting procedures of a public agency when a complaint from an interested party provides evidence that the participating agency:

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

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

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

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

No. Section 22033 provides that, "It shall be unlawful to split or separate into smaller work orders or projects any project for the purpose of evading the provisions of this article requiring work to be done by contract after competitive bidding". Separating "like work" would only be permitted as long as the total of all the "like work" is less than \$45,000. If the work is more than \$45,000, the

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work needs to be advertised and bid according to the provisions of the Act (i.e. bid informally if the total amount is less than \$175,000 and bid formally if the total amount exceeds \$175,000).

**25. May a public 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. If the agency wants to use the negotiated or informal bidding processes, the agency must apply the appropriate limits to each of the projects. Each project must be separate in scope. Projects may not be separated by trade to avoid bidding. If the total of all jobs is greater than \$45,000; the informal or formal bid limits will apply.

**26. How does a public 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. If the public 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.

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

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

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

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

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

The Commission cannot provide legal advice. The school districts and special districts should check with their own legal counsel on how to comply with Section 22034.

Additional inquiries and questions can be directed to:

State Controller's Office

Division of Accounting and Reporting

Local Government Policy Section

P.O. Box 942850

Sacramento, CA 94250

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



Changes still needed:

#### **PCC 22050**

If authority delegated pursuant to subdivision (b) orders any action specified in paragraph (1) of subdivision (a), the governing body shall initially review the emergency action not later than seven days after the action, or at its next regularly scheduled meeting ~~if that meeting will occur not later than 14 days after the action,~~ and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a four-fifths vote, that there is a need to continue the action, unless a person with authority delegated pursuant to subdivision (b) has terminated that action prior to the governing body reviewing the emergency action and making a determination pursuant to this subdivision. If the governing body meets weekly, it may, after the initial review, review the emergency action in accordance with this paragraph every 14 days.

#### **PCC 22034**

Each public agency that elects to become subject to the uniform construction accounting procedures set forth in Article 2 (commencing with Section 22010) shall enact an informal bidding ~~ordinance, policy, or regulation~~ to govern the selection of contractors to perform public projects pursuant to subdivision (b) of Section 22032. The ~~ordinance, policy, or regulation~~ shall include all of the following:

- (a) Notice to contractors shall be provided in accordance with either paragraph (1) or (2), or both.
- (1) 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. All contractors on the list for the category of work being bid shall be mailed, faxed, or emailed a notice inviting informal bids unless the product or service is proprietary. All mailing of notices to contractors pursuant to this subdivision shall be completed not less than 10 calendar days before bids are due.
- (2) The public agency may elect to mail, fax, or email a notice inviting informal bids to all construction trade journals specified in Section 22036.
- (b) The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project, and state the time and place for the submission of bids.
- (c) The governing body of the public agency may delegate the authority to award informal contracts to the public works director, general manager, purchasing agent, or other appropriate person.
- (d) If all bids received are in excess of one hundred seventy-five thousand dollars (\$175,000), the governing body of the public agency may, by adoption of a resolution by a four-fifths vote, award the contract, at one hundred eighty-seven thousand five hundred dollars (\$187,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

#### **PCC 22037**

22037. Notice inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project. The notice shall be published at least 14 calendar days before the date of opening the bids in a newspaper of general circulation, printed and published in the jurisdiction of the public agency; or, if there is no newspaper printed and published within the jurisdiction of the public agency, in a newspaper of general circulation which is circulated within the jurisdiction of the public agency, or, if there is no newspaper which is circulated within the jurisdiction of the public agency, publication shall be by posting the notice in at least three places within the jurisdiction of the public agency as have been designated by ordinance or regulation of the public agency as places for the posting of its notices. The notice inviting formal bids shall also be sent electronically, if available, by either facsimile or electronic mail ~~and~~ or mailed to all construction trade journals specified in Section 22036. The notice shall be sent at least 15 calendar days before the date of opening the bids. In addition to notice required by this section, the public agency may give such other notice as it deems proper.