

*California Uniform Construction Cost Accounting Commission*

March 28, 2018

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

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

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

Linda Clifford  
California State License Board  
Appointed

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

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

Jeff Armstrong  
Apprenticeship Director  
Northern CA Laborers' Union  
Labor

Eddie Bernacchi  
President  
NECA, Politico Group  
Subcontractors

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

John Nunan  
Chief Executive Officer  
Unger Construction Company  
General Contractors

Paavo Ogren  
General Manager  
Oceano Community  
Special Districts

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

Ken A. Kayser  
Construction Consultant  
General Contractors

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

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

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

Dear Members of the Legislature,

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

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

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

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The Annual Report of Commission activities is as follows:

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

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These changes will help the Commission to maintain complete membership, provide for orderly transitions, and effectively carry out its responsibilities. The Commission recommended to the State Controller, Betty T. Yee, that she increase bid limits as prescribed in PCC section 22032. The State Controller approved the recommendation in December 2017.

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

Respectfully submitted,

*Will Clemens*

Will Clemens, Chair  
California Uniform Construction Cost Accounting Commission

cc: State Controller's Office