

**Item 8B(ii)(1)** ◀

Addition to Manual – May 2018 – Registered Contractors List

1.05 Minimum Criteria for Development and Maintenance of the Contractor's List Determined by the Commission, pursuant to Public Contract Code section 22034(a)(1)

1. ~~During November each year, each Public Agency which has elected to become subject to the Uniform Public Construction Cost Accounting Act and intends to utilize the notice provisions outlined in section 22034(a) shall establish a new list or update its existing list of qualified contractors by mailing, faxing, or emailing a written notice to all construction trade journals designated for that Agency under Section 22036. The notice shall invite all licensed contractors to submit the name of their firm to the Agency for inclusion on the Agency's list of qualified bidders for the following calendar year.~~ During November each year, each Public Agency which has elected to become subject to the Uniform Public Construction Cost Accounting Act and intends to utilize the notice provisions outlined in section 22034 a) shall establish a new or update its existing list of qualified contractors by mailing a written notice to all construction trade journals designated for that Agency under Section 22036, inviting all licensed contractors to submit the name of their firm to the Agency for inclusion on the Agency's list of qualified bidders for the following calendar year.
2. The notice shall require that the contractor provide the name and address to which a Notice to Contractors or Proposal should be mailed, faxed, or emailed, a phone number at which the contractor may be reached, the type of work in which the contractor is interested and currently licensed to do (earthwork, pipelines, electrical, painting, general building, etc.) together with the class of contractor's license(s) held and contractor license number(s).
3. The Public Agency may create a new contractors list starting January 1st of each year. The Agency may include any contractor names it so desires on the list, but the list must include, at a minimum, all contractors who have properly provided the Agency with the information required under #2 above, ~~either during the calendar year in which the list is valid or during November or December of the previous year in response to the written notice at any time during the preceding calendar year.~~

The Commission recommends that the Agency automatically include the names of all contractors who submitted one or more valid bids to the Agency during the preceding calendar year.

4. A contractor may have his firm added to an Agency's contractors list at any time by providing the required information.

**Item 8B(ii)(2)**

Accounting Procedures Review Process

1.08 Accounting Procedures Review

A. Pursuant to the provisions of Public Contract Code (PCC) section 22042, the Commission has adopted the following procedures for conducting an Accounting Procedures Review, where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories:

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- 1) It is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.
- 2) It exceeded the force account limit.
- 3) It has been improperly classified as maintenance.

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B. As used in the Accounting Procedures Review, "interested party" shall mean: a licensed contractor eligible to bid on the public project involved in the review; a labor organization whose members would be eligible to perform work on the public project if it were performed by contract; an association of licensed contractors and/or labor organizations; or a taxpayer of the public agency cited in the account review request.

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~~C. If an inquiry comes to the State Controller's Office (SCO) and/or a single Commissioner, and the assistance of the Commission is needed, the inquiry will be sent to the Chair of the Commission. The Chair will then appoint one or more Commissioners, not to constitute a quorum, from the public and private sectors to assist with responding to the inquiry in a timely manner. A summary of the inquiry and response will be forwarded to the SCO upon completion for incorporation into Frequently Ask Questions as appropriate.~~

~~D. Request for Accounting Procedures Review~~

1) Pursuant to ~~Public Contract Code~~PCC section 22043(a)(b), in those circumstances as set forth in ~~subdivision (a) of PCC section 22042(a)(b)(c) above,~~ a request for Commission review shall be in writing, ~~The request shall be sent via postal mail, by~~ certified or registered, ~~mail and~~ received by the Commission ~~and/or State Controller's Office (SCO) staff~~ postmarked no later than eight business days from the date the public agency has rejected all bids ~~(PCC § 22042(a)) or from the date an interested party formally complains in writing to the public agency (PCC § 22042(b)(c)).~~

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~~2) In those circumstances set forth in subdivision (b) or (c) of section 22042, a request for Commission review shall be in writing, sent to the Commission by certified or registered mail, postmarked no later than eight business days from the date an interested party formally complains in writing to the public agency.~~

~~3) The address for purpose of request for Commission review notice herein is:~~

CALIFORNIA UNIFORM CONSTRUCTION COST ACCOUNTING COMMISSION  
c/o: Office of the State Controller  
Local Government Programs and Services Division  
Local Government Policy Section  
P.O. Box 942850  
Sacramento, CA 94250

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~~4) Such written notice from an interested party shall include the following information:~~

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**Item 8B(ii)(2)**

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a) The name, address, phone number, ~~and contact person of the interested party as defined on page 20, and person to be contacted presenting evidence.~~

b) An indication that work undertaken by the public agency falls within one of the following categories:

- 1) It is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.
- 2) It exceeded the force account limits.
- 3) It has been improperly classified as maintenance.

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c) The name, address, and phone number of the public agency involved.

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d) The project name, location, or other project identification number.

e) The bid date and rejection date, if ~~application~~ applicable.

f) The low bid dollar amount, if applicable.

g) The agency estimate, if available.

h) Other documentation supporting the request. If the requestor is unable to obtain information from the participating agency, the requestor should so note the fact and include an explanation of the circumstances. ~~The statutory limit to complete the account review begins as of the day the request is received by the SCO. Incomplete review requests may affect the ability of the Commission to render a timely decision.~~

~~54)~~ At the time it transmits its request to the Commission for review, the interested party shall mail a copy of the request by first class mail, postage prepaid, to the public agency involved.

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~~ED.~~ The Commission shall approve and designate in writing the consultants available to investigate requests for Accounting Procedures Review, if needed. Such consultants shall be prequalified as follows:

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- 1) They shall submit resumes including experience to the Commission for prequalification.
- 2) Each applicant shall have at least five years' experience with, and be knowledgeable of, public works construction or accounting under contracts let by public agencies.
- 3) They shall submit their schedule of fees required to perform such service.

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~~FE.~~ Immediately upon receipt of a request for Accounting Procedures Review, ~~SCO staff will forward all documentation to the ,the Chairperson. The~~ Chairperson shall assign it to a working group consisting of two or more Commissioners, ~~not to constitute a quorum~~. Each working group must have both private and public representations. ~~Any correspondence received by SCO staff during the review will be immediately forwarded to the Chairperson and the members of the working group.~~

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- 1) The working group may contact either the interested party or the signatory agency involved for additional information. They may also request a statement of the public agency's position with respect to the claim being set forth. Participating agencies are required to cooperate with any account reviews pursuant to this Act. Agencies failing to cooperate fully, through either unwillingness or inability, may be found to be non-compliant.

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**Item 8B(ii)(2)**

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2) If the work group deems it necessary, it may utilize the SCO audit division or a consultant deemed qualified for the purpose of this investigation review. The auditor or consultant will conduct a thorough investigation review of the facts surrounding the claim. This investigation review may include any fieldwork deemed necessary by the auditor or consultant. The auditor or consultant shall interview the public agency involved and submit as a part of the findings a complete statement of the public agency's position with respect to the review being conducted.

3) The auditor or consultant, if utilized, shall prepare written findings and a recommended decision within the timeframes established in PCC section 22043.

4) The statutory limit to complete the account review begins the day the request is received by the SCO. Incomplete review requests may affect the ability of the Commission to render a timely decision. Pursuant to PCC section 22043(c), the commission review shall commence immediately and conclude within the following number of days from the receipt of the request for commission review:

(a) Forty-five days for a review that falls within subdivision (a) of section 22042.

(b) Ninety days for a review that falls within subdivision (b) or (c) of section 22042.

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During the review of a project that falls within PCC 22042(a), the agency shall not proceed on the project until the final decision is received by the commission.

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F. The review will be added, as an agenda item to be discussed by the Commission, at a public meeting held within the timeframe established in PCC section 22043. All documentation and correspondence received related to the review will be included. Any documentation and correspondence received after the agenda has been posted to the SCO website will immediately be forwarded to each Commission member and available for public review at the meeting.

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G. The Commission shall review the findings of the work group and the report of the auditor or, consultant, if utilized, and render its final decision within the timeframes established in PCC section 22043. A copy of the decision shall be mailed by first class mail, postage prepaid, to ~~each Commission member~~, the interested party, and the public agency involved by SCO staff within the timeframes established in PCC section 22044. A copy shall also be provided to each Commission member and included for information as part of the subsequent Commission meeting agenda.

H. Decisions on Accounting Procedures Reviews shall be collected and maintained by SCO staff at the offices of the Commission and shall be available for public inspection during regular working hours. Such decisions may be cited and relied upon by interested parties and public agencies in subsequent reviews.

I. If the commission makes a finding, in accordance with PCC section 22043, on three separate occasions within a 10-year period that the work undertaken by a public agency falls within any of the categories described in Section 22042, the commission shall notify the public agency of that finding in writing by certified mail. As a result, the public agency shall not use the bidding procedures provided by this article for five years from the date of the commission's findings. Pursuant to Public Contract Code section 22044.5, if the Commission makes a finding(s) on three separate occasions within a 10 year period, the Commission shall notify the public agency of the finding in writing by certified mail and the public agency shall not use the bidding procedures provided by the Act for five years from the date of the commission's finding. For the purposes of these review procedures, one investigation resulting in a finding(s) shall equate to one occasion. These review procedures are based on current statutory law.

**Item 8B(ii)(2)**

J. Changes to statutory law shall be deemed appropriate and to be automatically adopted into these procedures.

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## CHAPTER 3 UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING POLICIES AND PROCEDURES

### Uniform Public Construction Cost Accounting Policies and Procedures

The California Uniform Construction Cost Accounting Commission (CUCCAC ~~or the Commission~~) is responsible for the review and development of uniform public construction cost accounting policies and procedures to be followed by public agencies electing to participate in the program. This section of the manual discusses the basic philosophy and intent of the Commission in developing these cost accounting policies and procedures, the range of public construction projects that may be undertaken by a public agency that would utilize the cost accounting policies and procedures, and the support systems deemed necessary to comply with this program.

Inquiries regarding the program and/or the policies and procedures, may be sent to the State Controller's Office (SCO) unit mailbox – LocalGovPolicy@sco.ca.gov. Once an inquiry is received by SCO staff, it will be reviewed and a draft response is to be sent to the Chair of the Commission. The Chair may appoint one or more Commissioners, not to constitute a quorum, from the public and/or private sectors to assist with responding to the inquiry in a timely manner. The Chair will provide feedback as necessary and SCO staff will send the response to the inquirer in a timely manner. A summary of inquiries are to be reviewed at the following CUCCAC meeting by the Commissioners for incorporation into the Frequently Asked Questions as appropriate.