

California Uniform Construction Cost Accounting Commission

April 8, 2016

Linda Clifford
Chief Financial Officer
C.C. Myers, Inc.
Contractors State License Board
Appointed
Chair-CUCCAC

Will Clemens
Director of Central Service Dept.
County of San Luis Obispo
Counties
Vice-Chair-CUCCAC

Guiselle Carreon
Commercial Warrants and Accounts
Payable Manager
San Diego Office of Education
Secretary-CUCCAC

George Hicks
Director of Public Works
City of Fairfield
Cities

Steven L. Hartwig
Consultant
Cities

Jeff Armstrong
Apprenticeship Director
Northern CA Laborers' Union
Labor

Cesar Diaz
Legislative Director
State Building and Construction
Trades Council
Labor

Eddie Bernacchi
President
NECA, Politico Group
Subcontractors

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

Lisa Ekers
Port Director
Santa Cruz Harbor
Special Districts

Michael R. Hester
President
McGuire and Hester
Subcontractors

Nathaniel Holt
Director of Purchasing and
Contracts
Pomona Unified School District

David Cruce
Area Manager
Papich Construction Co., Inc.
General Contractors

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 2015

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 2015 are listed below.

The Commission is tasked to provide technical support to public agencies by prescribing uniform construction cost accounting procedures for those agencies who opt into the "Uniform Public Construction Cost Accounting Act" (Act), pursuant to PCC §22010. The Commission works to ensure the equitable application and compliance of 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. This results in cost savings and improved efficiency to public agencies in the bidding, award, execution and completion of public works projects. In addition, the Commission conducts meetings open to the public, provides a manual for use by public agencies 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.

Annual Report as follows:

- The Commission met on March 18, 2015; June 25, 2015; September 9, 2015 and November 17, 2015. The first three meetings were chaired by George Hicks, representing Cities. The last meeting was chaired by his successor, Linda Clifford, representing the California State License Board.

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- Eighty-four (84) new agencies have opted into the Uniform Public Construction Cost Accounting Act, bringing the number of agencies participating in the Act to 957.
- The Commission responded to ninety-three (93) public agency inquiries. This indicates the level of importance, public agency interest and dependence upon the ongoing technical support the Commission provides annually to its participants.
- The Commission revised and approved additions to the Frequently Asked Questions (FAQ's) and a sample cost template. The template provides agencies the ability to determine the cost of work covered by the Act and the appropriate actions to take upon such determination. The documents will be regularly updated on the SCO website.
- The Commission continues to be concerned that the lack of adequate and stabilized funding hampers the Commission's ability to fully implement the statutory requirements of the Act. In response, the Commission Chair appointed a subcommittee to review the feasibility of an annual registration fee. After review by various agencies, the subcommittee recommended seeking an alternative funding avenue to provide continued support to informing and training participating agencies as well as conduct audits in a timely manner.
- The Commission Chair established a subcommittee to update the manual which provides direction to the users of the Act. The subcommittee was directed to review specific subsections of the Public Contract Code (PCC) which impact the effort of the Commission and the governance of the Act. This included clarifications to the terms of Commissioners in order to fully populate the Commission and provide for orderly transitions so that the Commission can prudently carry out its responsibilities. This included both legislative and administrative changes. Most requested legislative changes were adopted in the 2014 – 2015 legislative session and became effective in January 1, 2016. Additional updates and proposed changes to the PCC continue to be under review by the Commission and will be submitted to the Legislature for review in the 2015-16 legislative session as needed.

Respectfully submitted,

Lj Clifford

Linda Clifford, Chair
California Uniform Construction Cost Accounting Commission

cc: State Controller's Office