

Item 10b - County of Kern's Questions

1. Please confirm that the cost accounting commission does not preclude us from bidding projects under 175,000 by our traditional formal design-bid-build method and under the authority of our Board of Supervisors.
2. Would your Commission intervene with County procedures if we are using our traditional methods?
3. Within the CUCCAC Manual, the second sentence of the last paragraph of the Preface says "Local agencies with a population of 75,000 or more may use an overhead rate of 30% of **all direct costs** (emphasis added)." However, for purposes of calculating and applying overhead rates, the manual correctly calculates on "Productive Hourly Rate" and never uses "all direct costs" such as direct materials and equipment (See Exhibit III-4 and Exhibit IV-2). Please clarify which cost elements are included in the 30% assumed overhead rate mentioned in the CUCCAC Preface.
4. Does using the Act eliminate or alter the use of purchase orders and JOC?
5. Please explain how the inclusion of the following affects the use JOC:

76 Op. Atty. Gen. 126,7-14-93 = Job order contracts - General law county or general law city may not enter into a "job order contract" in excess of \$50,000 for the performance of public projects involving minor construction, and the renovation, alteration, painting, and repair of existing facilities, except under narrowly defined statutory conditions applicable only to counties.

6. Can we reject a bid under the Act and opt not to use Force Account labor and then rebid the project at a later time using the Act's list of qualified licensed contractors? If yes, would that require Board of Supervisors' approval by (4/5th vote)? Would this trigger a Commission's Review?
7. What would we need to do if we thought we could do the project using Force Account labor but later realize that we will be exceeding the \$45,000 limit?
8. Section 22031 Alternative Procedures States: Nothing in this article shall prohibit a board of supervisors or a county road commissioner from utilizing, as an alternative to the procedures set forth in this article, the procedures set forth in Article 25 (commencing with Section 20390) of Chapter 1. Can you please explain how the Act will impact the Roads Department projects and accounting procedures as prescribed in the Guidelines Relating to Gas Tax Expenditures?

9. Kern Sanitation Authority (KSA) and Ford City-Taft Heights Sanitation District (FCTH) are separate entities and have separate Board of Directors that are made up of the same members as the County's Board of Supervisors. Would KSA and FCTH need their own Board of Directors approved ordinance for the Act?
10. Solid Waste Enterprise Fund (SWEF) employees typically perform the construction project oversight for SWEF, KSA & FCTH projects. How would the labor for SWEF employees be treated? Would the SWEF labor be considered part of the total project costs?
11. KSA staff rarely, if ever, handles construction projects for FCTH or the County's outlying wastewater treatment plants. Assuming they do, would KSA staff be considered part of the Force Account labor on those projects? The assumption is that they cannot be on the Act's list of contractors since they do not have a contractor's license.
12. The Roads Dept. performs various public works projects for both KSA & FCTH on an annual basis. Could KSA and FCTH use Roads Dept as Force Account labor? The assumption is that they cannot be on the Act's list of contractors since they do not have a contractor's license.
13. Are there specific State forms that we need to complete and keep on file for the bidding out of Act's list of contractors and for each of the Act's projects?
14. Can you please provide a clearer definition of maintenance separate from the one provided in the Act.
15. The County has very specific insurance requirements for General Liability, Automobile and Workers Compensation Insurance Limits. We cannot enter into a contract unless a contractor can meet these limits. Will we be able to use these limits in our pre-qualification requirements when we establish the vendor list?
16. Article 25 subdivision (c) of Section 20395 states: "By purchasing the material and having the work done by day labor, in which case advertising for bids is not required." Does day labor mean Force Account?
17. For clarification purposes, when it comes to using force account, does this mean that the County have to either choose between the \$45K per project option or the 30% option of total value of all work performed by force account as reported in the Controller's Streets and Roads Annual Report as of January 1 of each year ?
18. If yes, does the choice have to be declared annually on January 1?
19. Does the County have to list all projects that will be worked on using this option?

20. Can new projects be added to the list, and declared, during the year as long as the County does not go over the 30% limit?
21. According to the Controller's Streets and Roads Annual Report there are three main categories that track expenditures of Force Account: **Undistributed Engineering and Admin, Construction and Rights of Way and Maintenance**. If the County invokes the 30% rule, do all force account expenditures within these three categories come into play when calculating the 30% or only those that fall within **Undistributed Engineering and Admin & Construction and Rights of Way**?
22. Once the County makes the 30% option declaration, does each project performed by Force Account have to comply with the \$45K limit? Or, can it exceed \$45K?
23. Once the County makes the 30% option declaration, do the accounting rules described in the Act apply for each project performed by Force Account?