

California Uniform Construction Cost Accounting Commission

Minutes of the Thursday, August 14, 2014 Meeting

Locations

**California State Controller's Office
300 Capitol Mall, 6th Floor Terrace Room
Sacramento, CA 95814**

**Santa Cruz Harbor
135 5th Avenue
Santa Cruz, CA 95062**

1. Call to order

Chair George Hicks called the meeting to order at 10:05 am.

California Uniform Construction Cost Accounting Commission:

Present: George Hicks, Jeff Armstrong, Eddie Bernacchi, Robert Campbell, Guiselle Carreon, Will Clemens, Linda Clifford, William R. Dildine, Steven L. Hartwig, Nathaniel Holt, and David McCosker

Absent: Cesar R. Diaz, Lisa Ekers

Guests: Cathryn Hilliard, Construction Industry Force Account Council (CIFAC)
Sally Riley, CIFAC
Michelle Tucker, CIFAC
Travis Ford, CIFAC
David Cruce, Papich Construction Company, Incorporated
via Teleconference: Sheri Pence, CIFAC

State Controller's Staff: George Lolas, Chief Operating Officer
Hitomi Sekine, Bureau Chief, Local Government Policy & Reporting
Anita Dagan, Manager, Local Government Policy Section
Jim Reisinger, Supervisor, Local Government Policy Unit
Lili Apgar, Fiscal Analyst
Hilary Yuen, Student Assistant

2. Introductions

The commissioners, staff and guests all introduced themselves.

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3. Oath of Office

- a. *Newly Appointed Commissioners* – Commissioner Hicks administered the Oath of Office to the two Commissioners recently appointed by the Controller.
 - i. *Mr. Steven L. Hartwig* was appointed to represent cities.
 - ii. *Mr. Nathaniel Holt* was appointed to represent school districts with an average daily attendance greater than 25,000.

4. Approval of the Minutes for the Meeting of April 14, 2014 (Refer to attachment Item 4)

Commissioner McCosker motioned and Commissioner Clifford seconded to approve the minutes of the April 14, 2014 meeting. **The motion passed 8-0, with Commissioners Campbell, Hartwig, and Holt abstaining.**

5. Commission Update (Refer to attachment Item 5)

- a. *Report on new participating agencies* – Staff presented an updated participating agency list, noting nine (9) new agencies have opted into the UPCCAA (Act), bringing the number of agencies participating in the Act to 891. Staff explained the database continues to be reconciled.
- b. *Funding update* – Staff reported that the Commission had \$4,872.39 of unrestricted donations available for its use.

6. Public Comment

Sally Riley (CIFAC) requested the Commission briefly review the force account limit guidelines with relevance to Agenda Item 10a.

7. Staff Comment/Requests

- a. *Special Presentation to Outgoing Commissioner Dildine* – George Lolas presented Commissioner Dildine with a retirement resolution on behalf of the State Controller's Office and thanked him for his 30 year commitment to the Commission.

8. Commissioner Comments/Requests/Questions

Commissioner Bernacchi proposed the Commission address Ms. Riley's request to clarify the force account limit guidelines. Commissioners McCosker and Dildine provided some legislative history regarding the issue. Chair Hicks requested a subcommittee to draft a response and add the inquiry to the list of frequently asked questions (FAQ's). The subcommittee members are Commissioners Armstrong, Bernacchi, Carreon, and Hartwig.

9. Old Business

- a. *Public Outreach Welcome Letter* – Staff presented a total of 17 new participating agencies have opted into the Act in 2014. Welcome letters have been sent by SCO on behalf of the Commission.

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Commissioner Carreon updated the commission that workshops will be held in Sacramento and Fresno for outreach to school districts. Commissioners Hicks and Hartwig suggested outreach to city departments of public works by presenting at the League of Cities Annual Spring Conference. Commissioner Ekers will investigate for outreach to Special Districts. Anita Dagan invited the commission speak at the upcoming State Controller's Fall Conference with County Auditors.

- b. *Latest Policies and Procedures Manual Revision Update* – Staff provided a copy of the latest manual revisions currently under review by SCO management. Commissioner Clifford motioned and Commissioner Carreon seconded to approve the manual with minor edits. **The motion passed 11-0.**
- c. *Legislative Update* – Commissioner Bernacchi updated the commission on the status of proposed legislative language changes to the manual and fee implementation by participating agencies. The Commission is seeking support from industry and public agencies.

10. New Business

- a. *CIFAC's complaint against the County of Sonoma* – CIFAC and the County of Sonoma representatives were each given five minutes to express their concerns regarding CIFAC's complaint. Commissioner Bernacchi excused himself from the discussion as he represents CIFAC in legislative issues. After addressing concerns and review of all supporting documents, the commission concluded the County of Sonoma violated the force account provisions of the Act and failed to declare the project an emergency or exercise any other available means of compliance. Commissioner Campbell motioned and Commissioner Clifford seconded to approve a finding against the County of Sonoma. **The motion passed 10-0, with Commissioner Bernacchi abstaining.** This is the first finding for the County of Sonoma.
- b. *CIFAC and Calleguas Municipal Water District's request to amend the manual language for informal bidding lists* – The Commission reviewed letters received from CIFAC and Calleguas Municipal Water District. Chair Hicks proposed a subcommittee review and edit the FAQ's in regards to informal bidding limits. Subcommittee members are Commissioners Bernacchi, Carreon, and Clifford. Commissioner Campbell motioned and Commissioner Clemens seconded the drafted FAQ's be submitted for approval to the Commission Chair. Upon approval, the FAQ's will be updated on the CUCCAC web page. **The motion passed 11-0.**
- c. *CIFAC's request for clarification on use of job order contracting and informal bidding procedures interactively* – Commissioner Bernacchi explained the bidding amounts are dictated by the Act. Commissioner Clemens believes Job Order Contracting does not fall under the authority of CUCCAC. Chair Hicks forms a subcommittee to review the issue and draft a response to be added to the FAQ's. Subcommittee members are Commissioners Campbell, Clifford and Hartwig.

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Commissioner Campbell motioned and Commissioner Hartwig seconded the drafted FAQ's be submitted for approval to the Commission Chair. Upon approval, the FAQ's will be updated on the CUCCAC web page. **The motion passed 11-0.**

- d. *Commission Vacancies* –The Commission requested from SCO Staff the status of two commissioner appointments; contractors representative and subcontractors representative. One recommendation has been received for each contractor and subcontractor representatives and is under review by SCO management.
- e. *Selection of new Chair for the Commission* – SCO Staff encountered an inconsistency between the Commission Bylaws and Public Contract Code. Commissioner Clifford motioned and Commissioner Bernacchi seconded to draft an amendment to the Bylaws to coincide with the Public Contract Code. SCO Staff will provide the draft to the Commission at the next meeting for approval. **The motion passed 11-0.** Commissioner Hicks will continue to serve as chair until his term expires in 2015.

11. Annual Report to the Legislature

- a. *Annual Report is due* – The Commission submitted the 2013 Report to the Legislature for the year ending December 31, 2013. The next scheduled report due for the year ending December 31, 2014 will be drafted in January 2015 by the Secretary, Commissioner Carreon.

12. Next Meeting

The Commission tentatively scheduled the next meeting date for Wednesday, December 10, from 10:00am – 2:00pm.

13. Adjournment

Commissioner Clifford motioned and Commissioner Armstrong seconded to adjourn the meeting. **The motion passed 11-0 and the meeting was adjourned at 12:55 pm.**

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

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