

California Uniform Construction Cost Accounting Commission

Minutes of August 29, 2012 Meeting

Locations:

**Office of the State Controller
300 Capitol Mall, Room 635
Sacramento, CA 95814**

**District Office
25634 Alessandro Boulevard
Moreno Valley, CA 92553**

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

**Shellmaker Inc.
837 West 17th Street
Costa Mesa, CA 92627**

1. Call to Order

Chairperson Armstrong called the meeting to order at 9:40 AM and called the roll.

Present: **Sacramento:** Jeff Armstrong, Chairperson; Eddie Bernacchi, Robert R. Campbell, Guiselle Carreon, Linda Clifford, William R. Dildine, George Hicks, David McCosker
 Costa Mesa, via telephone: Lisa Miller-Strunk
 Santa Cruz, via telephone: Lisa Ekers

Absent: Cesar R. Diaz, Rod Moresco, Phillip Nelson, Josie H. Ripoly

Guests: Cathryn Hilliard, Construction Industry Force Account Council

SCO Staff: Anita Dagan, Manager
 Jim Reisinger, Supervisor
 Carol Dirksen, Fiscal Analyst
 Kristain Heston, Fiscal Analyst
 Darryl Mar, Fiscal Analyst
 Sandeep Singh, Fiscal Analyst

2. Introductions

The commissioners, staff, and guests all introduced themselves.

3. Oath of Office

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Anita Dagan administered the oath of office to Commissioner Armstrong. Commissioner Armstrong administered the oath of office to Commissioners Campbell and Dildine.

4. Approval of the Minutes for the Meeting of June 8, 2011

Commissioner Armstrong motioned and Commissioner Clifford seconded to approve the minutes of the June 8, 2011 meeting minutes **The motion passed 8-1, with Commissioner Campbell abstaining.**

5. Commission Update

- a) *Report on new participating agencies* – Staff presented an updated participating agency list, noting that 45 new agencies have opted into the UPCCAA, bringing to 818 the number of agencies participating in the Act.
- b) *Funding update* – Staff reported that the Commission had \$5,867.45 of unrestricted donations available for its use.

6. Public Comment

None

7. Staff Comments/Requests

- a. *Status on commissioner terms* – Discussion on length of Commissioner terms initiated by Commissioner Dildine. Determining what the expiration date of terms should be if Commissioner reappointment doesn't take place until after their initial term expires. Commissioner Dildine tenders his resignation effective July 1, 2014 noting that the search for a replacement should begin as the match for his representation (private contractors) may be difficult.

Commissioner Clifford arrives to the meeting

8. Commissioners' Comments/Requests/Questions

- a. *Commissioner's reimbursement for expenses incurred in the performance of their duties. (Ref: Letter of KATHLEEN CONNELL of August 12, 1998.) Are there any outstanding claims?* – Discussion on reimbursement procedures if there is no unconditional funds available for travel reimbursement. Commissioner Carreon requests reimbursement for travel as School Districts don't provide reimbursements for travel to the Commission meetings.

9. Old Business

- a. *Issues raised with regards to the emergency procedures in the ACT related to school districts needs to be reworded.* – Commissioner Carreon recommended changes to the language relating to emergency procedures and reporting to the school's Board of Supervisors isn't as feasible as the CUCCAC manual dictates. The Commission decides that based on the rarity of the situation it will handle them on a case by case basis and leave the language as is.
- b. *Website Improvements: Updated FAQ's, creating a question forum, list of account reviews completed by the Commission, publish bylaws which are still*

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waiting to be approved, creating a sample ordinance template in Word. – Commissioner Bernacchi motioned and Commissioner Clifford seconded to approve changes to the FAQ’s to be posted on the website. **The motion passes 10-0.**

- c. *Status of Solicitations: Commissioners McCosker and Clifford were to solicit donations from contractor associations. Commissioners Diaz and Armstrong were to solicit donations from unions.* – A donation letter will be drafted and sent to all board members for solicitation to potential donors. It is brought to the Commission’s attention that previous donations were given for the specific purpose of auditing and should be placed under into the proper account. SCO will follow up on placement of funds.
- d. *Revisions to the Manual: Suggestions from Commissioners Carreon, Ripoly, Bernacchi, Diaz, and Hicks.* – Revisions are still in progress and will be held until next meeting.

10. New Business

- a. *What is the commission's role with regard to advising SCO staff or public agencies and processing requests from participating agencies, contractors, or the public during the year?* – Commissioner Clifford motioned and Commissioner Bernacchi seconded the procedure to forward inquiries the SCO receives to the Chair who will then work with the Commissioners of expertise, one from public and one from private, to come to a consensus and work with the SCO to answer. **The motion passed 9-0, Commissioner Ekers absent.**
- b. *What process should SCO staff follow in getting individual commissioner's input without violating the Bagley-Keene Act? Have all Commissioners been given a copy?* – The Commissioners come to the conclusion that any form of communication is acceptable as long as it does not include a number of Commissioners that constitutes a quorum.
- c. *Correspondence from Construction Industry Force Account Council (CIFAC) Regarding Questions to the Commissioners (Responses provided by subcommittee members impaneled to address the correspondence)*
 - i. *No. The Commission has ruled in the past that where the Act is silent, the standard code applies.*
 - ii. *Section 22042 lists the categories of complaints that the Commission can consider. A complaint of agencies not following advertising requirements is not one of the categories listed. Section 22044 seems to suggest that we can make findings on any violation of the chapter but then later seems to limit our response to the categories in Section 22042.*
 - iii. *There is no exemption to maintaining a list of bidders. PCC 22034 (a) The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission. If an agency is not maintaining a list or notifying all contractors or trade papers, then they are not in compliance with the Act. The Code states that participating agencies shall adopt an ordinance requiring that a list of all qualified contractors identified according to categories of work be maintained. It does not require the list to be used however, and allows notifications to the required trade journals and*

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exchanges be used as an alternate if desired. For agencies who elect to use the alternative authorized method of advertising, the purpose of the list is effectively negated. If an agency is using the contractor's list then they must send the notification to all contractors on the list for that category of work and the list must be maintained in accordance with the Manual.

iv. *Discuss at meeting*

There was some discussion to question #4 regarding proper advertising of bids. It is estimated that 75% don't advertise. There is some conflict within the code between notifications through the list of qualified contractors versus advertising. The Commission is aware, however no action will be taken at this time.

v. *Depends on the merits of the case and the definition of "project". If a project is being split into parts to avoid the bidding requirements of the Act then they are in violation of the Act. If it is being split for other reasons then maybe not.*

The Chair invited CIFAC to address the responses; CIFAC agreed and expressed appreciation. The Chair thanked Commissioners who helped draft CIFAC response.

d. *Annual Report: The report to the Legislature for the year ending 06/30/12 needs to be submitted* – Commissioner Clifford will write reports to the Legislature and provide copies to the SCO.

11. Annual Report to the Legislature

12. Next Meeting

A new Vice-Chair should be selected. The idea of having two designated meeting locations, one in Northern California and one in Southern California, is proposed to help ease the burden of meeting in one location.

13. Adjournment

Commissioner Armstrong motioned and Commissioner Bernacchi seconded to adjourn.
The motion passed 9-0 at 12:49 PM.