

California Uniform Construction Cost Accounting Commission



Will Clemens
Central Service Department
Director
County of San Luis Obispo
Counties
Chair-CUCCAC

Michael R. Hester
President
McGuire and Hester Subcontractors
Vice-Chair-CUCCAC

Nathaniel Holt
Chief Facilities Officer and Bond
Program Manager
Facilities, Maintenance, Operations,
& Transportation
Pomona Unified School District
Secretary-CUCCAC

George Hicks
Director of Public Works
City of Fairfield
Cities

Steven L. Hartwig
Deputy Public Works Director
City of American Canyon
Cities

Jeff Armstrong
Apprenticeship Director
Northern CA Laborers' Union
Labor

Cesar Diaz
Legislative Director
State Building and Construction
Trades Council
Labor

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Robert R. Campbell
Auditor-Controller
County of Contra Costa
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Paavo Ogren
General Manager
Oceano Community Services
District San Luis Obispo County
Special Districts

Linda Clifford
Contractors State License Board
(CSLB) Appointed

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

Ken A. Kayser
Construction Consultant
General Contractors

Guiselle Carreon
Commercial Warrants and Accounts
Payable Manager
San Diego County Office of
Education

10/30/2017

Jill Kanemasu, Division Chief
P.O. Box 942850
Sacramento, CA 94250

SUBJECT: California Uniform Construction Cost Accounting Commission Recommendation

Dear Mrs. Kanemasu:

On September 28, 2017, the California Uniform Construction Cost Accounting Commission (CUCCAC) met and unanimously passed a resolution recommending that the State Controller increase bid limits pursuant to Public Contract Code (PCC) section 22032. CUCCAC recommends that bid limits for employees of a public agency by force account, negotiated contract, or negotiated purchase order with a contractor be increased from \$45,000 to \$60,000. In addition, CUCCAC recommends that current bid limits for public projects of \$175,000 or less that can be contracted through informal procedures, and for public projects of \$175,000 or more that are contracted through formal bidding procedures, be increased to \$200,000.

CUCCAC's recommendations to increase the bid limits are based on the following:

- The Highway Construction Price Index has increased by 28.95% since 2011, when the bid limits were last increased.
- The recent passage of the Road Repair and Accountability Act of 2017 (Senate Bill 1) will soon generate billions of dollars for road construction statewide, which is anticipated to produce continued inflation as agencies compete for limited contractor availability.
- In addition, it is anticipated that small projects will realize continued efficiencies and increased project delivery; contractors will increase production overtime; and the hiring rate of contractors will be increased.
- Recently, many school districts have passed bond initiatives that will be used for construction of school facilities throughout the state, and further increase the need to deliver projects.
- The proposed increase of bid limits is beneficial to both the construction contracting industry and owners, and facilitates quicker project delivery; and the increased force account limit does not preclude the use of contractors by agencies.

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Pursuant to PCC 22018, the State Controller’s Office has 90 days to either formally adopt or reject the CUCCAC’s recommendation. Upon approval, the members of the commission would like the effective date for the new limits to be fiscal year 2018-19.

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Enclosure(s)