

California Uniform Construction Cost Accounting Commission

Minutes of Thursday, June 25, 2015

These minutes were officially approved by the Commission at the subsequent public meeting on September 9, 2015.

1. Call to order

Chair George Hicks called meeting to order at 9:30 am.

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

Via Teleconference: Lisa Ekers

Absent: Cesar Diaz

Guests: David A. McCosker (Commissioner McCosker attended the meeting as a member of the public via teleconference. He listened but did not participate as he called in from a location not previously listed on the agenda. Public notice of all meeting locations is required pursuant to the Bagley-Keene Open Meeting Act.),

Cathryn Hilliard, Construction Industry Force Account Council (CIFAC),
Michelle Tucker (CIFAC),
Amanda Patton, Gene Clark, County of Sonoma

State Controller's Office: Anita Dagan, Manager, Local Government Policy
Section (LGPS)
Lili Apgar, Fiscal Analyst, LGPS
Robert Szabo, LGPS

All in attendance wish for Commissioner David McCosker's speedy recovery.

A. The Commission recognized all votes will be taken by rollcall when one or more Commissioners participate in the meeting via teleconference, pursuant to the Bagley-Keene Open Meeting Act, Government Code section 11125.7.

2. Introductions

The commissioners, staff, and guests all introduced themselves.

Chair Hicks opened the meeting for any adjustments to the agenda. Vice Chair Clifford motioned and Commissioner Hartwig seconded to move Agenda Item 10a "Legislative Report" following Agenda Item 7, due to Commissioner Bernacchi's time constraints.

Commissioner Bob Campbell motioned to review and discuss all Frequently Asked Questions (FAQs). This would entail an addition of a standard agenda item for this discussion of the FAQs under Agenda Item 8a. Commissioner David Cruce seconded. Vice Chair Clifford motioned and Commissioner Hartwig seconded to approve the revised agenda items. The motions passed 11-0.

Commissioner Ekers joined the meeting at 9:15am.

3. Approval of the Minutes

- A. Meeting December 17, 2014 (Revision) – Vice Chair Clifford motioned and Commissioner Hartwig seconded to approve the minutes of the December 17, 2014. The motion passed, 11-0, with Commissioners Clemens abstaining.
- B. Meeting March 18, 2015 – Commissioner Steve Hartwig motioned and Vice Chair Linda Clifford seconded to approve the minutes of the March 18, 2015. The motion passed 10-0 with Commissioners Hicks and Holt abstaining.

4. Commission Update (Refer to attachment Item 4)

- A. Report on new participating agencies – The SCO presented an updated participating agencies listing, noting 18 new agencies have opted into the CUPCCAA (Act), bringing the number of agencies participating in the Act to 898. The SCO confirmed all new participating agencies were sent welcome letters.
- B. Funding update – The SCO reported the Commission had \$2,747.92 of unrestricted funds available for its use. Commissioner Carreon proposed the idea of raising funds by charging admission to outreach workshops. The Commission discussed requests to industry associations for possible grants.
- C. Inquiry update – The SCO reported all inquiries received since the last meeting. Lili Apgar informed the Commission future reports will list the inquiries in descending order by date, with the most recent inquiry on the bottom.
- D. FPPC Form 700 – The SCO provided an update that all Commissioners have completed and filed the Fair Political Practices Commission (FPPC) annual Form 700 Statement of Economic Interests by the April 1st deadline.

Commissioner Campbell asked why some Special Districts, such as charter agencies may not be inclined to opt into the Act. Commissioner Clemens stated many charter agencies may not be separate entities. The SCO explained the law definition states Special Districts are separate entities, thus the SCO requires them to file annual Financial Transaction Reports.

5. Public Comment

Cathryn Hilliard thanked the Commission and the SCO for including a response letter from CIFAC in reference to Agenda Item 8b.

Commissioner David McCosker indicated FAQ 20 had a grammatical edit.

6. Staff Comment/Requests

Anita Dagan introduced Robert Szabo as the new SCO lead analyst to support the Commission.

7. Reports of Officers

- A. Chair – Chair Hicks thanked Commissioner Clifford for stepping in during his absence.
- B. Vice Chair – Vice Chair Clifford welcomed Chair Hicks back.
- C. Secretary – No comment.

8. Committee Reports

- A. Finalize FAQ Questions 9 and 25 – Chair Hicks asked the SCO to add a standing item on the agenda to allow the Commission to continuously update the FAQ's, as needed.

The grammatical edit pointed out by Commissioner David McCosker will be corrected.

Commissioner Campbell mentioned “like work” as defined in FAQ 23 should be revised to include a better qualifying response by adding Public Contract Code (PCC) language.

The Commission noted that FAQ's 24 and 25 were closely related. In discussing these, Commissioner Carreon elaborated on the definition of a “project” for school districts where projects must have separate drawings, specifications and different Division of State Architect (DSA) numbers assigned. Commissioner Campbell mentioned that at times a county board oversees other districts which are separate legal entities. Chair Hicks explained the contracting authority helps substantiate a project. Cathryn Hilliard stated that it depends who the owner of the project is. The owner funds the project, thus there is a designated code for each agency.

Commissioner Bernacchi explained that special districts solely contract for work separately (independently). The agency awarding the bid must opt into the Act. Anita Dagan asked to define special districts under the Act.

Commissioner Bernacchi left the meeting at 9:55am.

Commissioner Campbell motioned and Commissioner Hartwig seconded to approve FAQ questions 9 and 25. The motion passed 11-0.

Chair Hicks agreed to work with the SCO to clarify the FAQ's discussed (23, 24, and 26) and bring these back for review by the Commission at the next meeting.

- B. Draft letter to CIFAC and County of Ventura clarifying force account limit guidelines in relation to Job Order Contracts (JOC) – Chair invited CIFAC to speak. CIFAC advised that new projects must follow informal/formal bid procedures. The Attorney General opinion classifies project as new work. Commissioner Clemens asked CIFAC to assist in clarifying the issue in the method used by Ventura County. Ms. Hilliard explained Ventura County used new construction as part of JOC.

Commissioner Clifford suggested removing the third bullet from the Commission's draft letter to CIFAC to address the concerns raised. Chair Hicks mentioned that in his conversation with SCO legal counsel, it was recognized that the issue of JOC is largely outside the scope of the Act. Chair Hicks recommended modifying the Commission's response to CIFAC. Commissioner Clifford recommended that the letter also be addressed to the Ellison/Gordian group. Anita Dagan agreed addressing the letter to both parties would be beneficial.

Commissioner Campbell motioned and Commissioner Carreon seconded to approve the removal of the bullet item and also address the Ellison/Gordian Group. The motion passed 11-0.

9. Commissioner Comments/Requests

None.

10. Old Business

- A. Legislative Update – Commissioner Bernacchi provided an update in reference to Omnibus Senate Bill (SB) 184. He explained there are amendments incorporated into the bill which is scheduled for review by the Assembly Local Government Committee on July 1, 2015. Commissioner Bernacchi asked Commissioners and industry associations to write letters in support of SB184. Currently there are no known concerns or issues. The expected effective date if SB184 is passed into Legislation is January 1, 2016. Commissioner Clifford requested the address for mailing support letters.
- B. Funding sources: Draft letter for grants and donations – The commission discussed ways to reach out to participating agencies of the Act and industry associations for funding the commission. The commission is aware some public participating agencies are unable to donate funds, but mentioned a bill could be sent for participation much like the CA Street Light Association does. The Commission reviewed possible language for agencies to consider a "voluntary administrative support cost or fee".

11. New Business (Refer to attachment Item 11)

Commissioner Carreon mentioned she will be administering a workshop in October. The SCO mentioned it will host its annual Fall Conference also in October. The idea of including a panel session for the Commission and CIFAC at the Conference was raised. Commissioner Clifford expressed her willingness to participate again. Commissioner Carreon also would like to present on behalf of the Commission.

12. Next Meeting

The Commission tentatively scheduled the next meeting date for Thursday, September 10, 2015 from 10:00am – 2:00pm at the State Controller's Office downtown Sacramento location, pending room availability.

13. Adjournment

Commissioner Hartwig motioned and Commissioner Carreon seconded to adjourn the meeting. The motion passed 11-0 and the meeting was adjourned at 11:50am.

If you would like more information regarding this meeting, please contact:

State Controller's Office
Local Government Programs and Services Divisions
Local Government Policy Section
LocalGovPolicy@sco.ca.gov