California Uniform Construction Cost Accounting Commission
Meeting Agenda
Thursday, June 25, 2015
9:30 AM – 1:30 PM
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
Teleconference Number: (888) 278-0296
Participation Code: 221558

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Representing</th>
</tr>
</thead>
<tbody>
<tr>
<td>George Hicks, Chair</td>
<td>Director of Public Works</td>
<td>City of Fairfield Cities</td>
</tr>
<tr>
<td>Linda Clifford, Vice Chair</td>
<td>Chief Financial Officer</td>
<td>C.C. Myers, Inc. Contractors State License Board</td>
</tr>
<tr>
<td>Guiselle Carreon, Secretary</td>
<td>Commercial Warrants and Accounts Payable Manager</td>
<td>San Diego County Office of Education School Districts (ADA &lt;25,000)</td>
</tr>
<tr>
<td>Jeff Armstrong</td>
<td>Apprenticeship Director</td>
<td>Northern California Laborers’ Union Labor</td>
</tr>
<tr>
<td>Eddie Bernacchi</td>
<td>President</td>
<td>Politico Group Subcontractors</td>
</tr>
<tr>
<td>Robert Campbell</td>
<td>Auditor-Controller</td>
<td>County of Contra Costa Counties</td>
</tr>
<tr>
<td>Will Clemens</td>
<td>Public Works Department Administrator</td>
<td>County of San Luis Obispo Counties</td>
</tr>
<tr>
<td>Name</td>
<td>Position</td>
<td>Representing</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Cesar Diaz</td>
<td>Legislative Director</td>
<td>State Building and Construction Trades Council Labor</td>
</tr>
<tr>
<td>Lisa Ekers</td>
<td>Port Director</td>
<td>Santa Cruz Harbor Special Districts</td>
</tr>
<tr>
<td>Steven L. Hartwig</td>
<td>Director of Public Works</td>
<td>City of Vacaville Cities</td>
</tr>
<tr>
<td>Michael R. Hester</td>
<td>President</td>
<td>McGuire and Hester Subcontractors</td>
</tr>
<tr>
<td>Nathaniel Holt</td>
<td>Director of Purchasing and Contracts</td>
<td>Pomona Unified School District School Districts (ADA &gt;25,000)</td>
</tr>
<tr>
<td>David A. McCosker</td>
<td>Chairman of the Board</td>
<td>Independent Construction Co. General Contractors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Representing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anita Dagan</td>
<td>Manager</td>
<td>Local Government Policy Section</td>
</tr>
<tr>
<td>Lili Apgar</td>
<td>Fiscal Analyst</td>
<td>Local Government Policy Section</td>
</tr>
<tr>
<td>Robert Szabo</td>
<td>Fiscal Analyst</td>
<td>Local Government Policy Section</td>
</tr>
</tbody>
</table>

**Meeting Agenda**

1. **Call to Order**
   
   A. Voting by Roll Call

2. **Introductions**

3. **Approval of the Minutes (Refer to attachment Item 3)**
   
   A. Meeting December 17, 2014 (Revision)
   
   B. Meeting March 18, 2015
4. **Commission Updates (Refer to attachments 4B, 4C and 4D)**
   A. Participating agencies
      I. New
   B. Funding update
   C. Inquiry update
   D. FPPC Form 700

5. **Public Comments**

6. **Staff Comments/Requests**

7. **Reports of Officers**
   A. Chair
   B. Vice Chair
   C. Secretary

7. **Committee Reports (Refer to attachment item 8)**
   A. Finalize FAQ Questions 9 and 25
   B. Draft letter to CIFAC and County of Ventura clarifying force account limit guidelines in relation to Job Order Contracts (JOC)

9. **Commissioner Comments/Requests**

10. **Old Business (Refer to attachment item 10)**
    A. Legislative Update
    B. Funding sources – Draft letter for grants and donations
    C. Language for revising Commission finding letter template

11. **New Business**

12. **Next Meeting**

13. **Adjournment**

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

State Controller’s Office
Local Government Policy Section
LocalGovPolicy@sco.ca.gov
Commission Update
For the period March 1, 2015 – May 31, 2015

4a. Report on new participating agencies

Eighteen (18) new agencies have opted into the CUFCAA, bringing the number of agencies participating in the Act to 898. Reconciliation of participating agencies by SCU is 95% complete.

### New Participating Agencies

<table>
<thead>
<tr>
<th>Agency Type</th>
<th>Agency</th>
<th>Date Opted In</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. City of San Joaquin</td>
<td>3/10/2015</td>
<td>City</td>
</tr>
<tr>
<td>2. Rio Hondo Community College District</td>
<td>2/18/2015</td>
<td>Community College District</td>
</tr>
<tr>
<td>3. Lost Hills Union School District</td>
<td>1/12/2015</td>
<td>School District</td>
</tr>
<tr>
<td>4. City of Sanger</td>
<td>3/19/2015</td>
<td>City</td>
</tr>
<tr>
<td>5. City of Williams</td>
<td>4/7/2015</td>
<td>City</td>
</tr>
<tr>
<td>6. City of Winter</td>
<td>3/1/2011</td>
<td>City</td>
</tr>
<tr>
<td>7. County of Sierra</td>
<td>2/3/2015</td>
<td>County</td>
</tr>
<tr>
<td>17. San Luis Obispo County Community College District</td>
<td>1/7/2015</td>
<td>Community College District</td>
</tr>
<tr>
<td>18. Sonoma Agriculture Open Space District</td>
<td>1/6/2015</td>
<td>Special District</td>
</tr>
</tbody>
</table>
Commission Update
For the period March 1, 2015 – May 31, 2015

**Cities**
- Participating Cities: 211 (44%)
- Non-participating: 271 (56%)

**Counties**
- Participating Counties: 40 (69%)
- Non-participating: 18 (31%)
Commission Update
For the period March 1, 2015 – May 31, 2015

Community Colleges
- Participating Community Colleges: 40, 36%
- Non-participating: 72, 64%

School Districts
- Participating School Districts: 322, 31%
- Non-participating: 706, 69%
Commission Update
For the period March 1, 2015 – May 31, 2015

Special Districts
- Participating Special Districts: 285 (13%)
- Non-participating: 1,878 (87%)

Total Participating Agencies (898)

- Cities: 221
- Community College Districts: 40
- Counties: 40
- School Districts: 822
- Special Districts: 285
Commission Update
For the period March 1, 2015 – May 31, 2015

4b. Funding update

The Commission has $2,747.92 of unrestricted donations available for its use.

<table>
<thead>
<tr>
<th></th>
<th>Conditional</th>
<th>Unconditional</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditures</td>
<td>$</td>
<td>$361.66</td>
<td>$361.66</td>
</tr>
<tr>
<td>Travel Expense Claims</td>
<td>$</td>
<td>$2,747.92</td>
<td>$2,747.92</td>
</tr>
<tr>
<td>Ending Balance 5/31/2015</td>
<td>$</td>
<td>$2,747.92</td>
<td>$2,747.92</td>
</tr>
</tbody>
</table>
4c. Report on Inquiries Received

Thirty (30) inquiries have been received by the State Controller's Office during the period March 1, 2015 to May 31, 2015.

<table>
<thead>
<tr>
<th>No.</th>
<th>Date Received</th>
<th>Organization Requesting</th>
<th>Subject Title</th>
<th>Assigned To</th>
<th>Date Country Receipt Sent</th>
<th>Status</th>
<th>Date of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>16-May-15</td>
<td>Terri Shaffer, Fresno Flood Control</td>
<td>Construction Trade Journal Listing</td>
<td>L. Aggar</td>
<td>25-May-15</td>
<td>Complete 05-26-15 Repeated question from Commissioner, Chair in drafting response. 05-29-15 Repeated question from Chair and Vice Chair in drafting a response. 05-29-15 Follow up email and draft response sent to Chair.</td>
<td>3-Jun-2015</td>
</tr>
<tr>
<td>2</td>
<td>18-May-15</td>
<td>Rent Control, Orange County</td>
<td>Informal TDT process</td>
<td>L. Aggar</td>
<td>25-May-15</td>
<td>Complete 05-26-15 Country receipt and upon request from specification. 05-29-15 Draft response sent to Chair for approval.</td>
<td>3-Jun-2015</td>
</tr>
<tr>
<td>3</td>
<td>18-May-15</td>
<td>None Robertson, Fair Political Practice Commission</td>
<td>Conflict of Interest Code Contact</td>
<td>L. Aggar</td>
<td>25-May-15</td>
<td>Complete</td>
<td>3-Jun-2015</td>
</tr>
<tr>
<td>4</td>
<td>16-May-15</td>
<td>Terri Shaffer, Fresno Flood Control</td>
<td>Construction Trade Journal Listing</td>
<td>L. Aggar</td>
<td>24-May-15</td>
<td>Complete 05-26-15 Assistance requested from Chair, Hicks. Draft response sent to Chair for approval.</td>
<td>26-May-2015</td>
</tr>
<tr>
<td>5</td>
<td>13-May-15</td>
<td>Uruguay, San Luis Obispo County Office of Education</td>
<td>Which special districts are participating in the Act?</td>
<td>B. Gangan</td>
<td>13-May-15</td>
<td>Complete 05-26-15 Draft response requested by Commissioner, Chair, Hicks. L. Aggar assigned task to B. Gangan and sent comments to Chair Hicks.</td>
<td>14-May-2015</td>
</tr>
<tr>
<td>8</td>
<td>12-May-15</td>
<td>Salinas Valley, San Benito District</td>
<td>Number of letters required</td>
<td>L. Aggar</td>
<td>13-May-15</td>
<td>Complete</td>
<td>13-May-2015</td>
</tr>
</tbody>
</table>
# Commission Update

For the period March 1, 2015 - May 31, 2015

<table>
<thead>
<tr>
<th>No.</th>
<th>Date Received</th>
<th>Organization Requesting</th>
<th>Subject Title</th>
<th>Assigned To</th>
<th>Date Counterparty Receipt Sent</th>
<th>Status</th>
<th>Date of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>08-May-15</td>
<td>Rita Richer, City of Walnut Creek</td>
<td>Revise &amp; publish procedures for landscape maintenance work</td>
<td>M. Douglas</td>
<td>06-May-15</td>
<td>Complete</td>
<td>13-May-2015</td>
</tr>
<tr>
<td>15</td>
<td>27-Apr-15</td>
<td>Nena Segarra, Legal Counsel for County of San Diego County</td>
<td>Questions on LGAC and conflicts with job order</td>
<td>L. Aggar</td>
<td>27-Apr-15</td>
<td>Complete</td>
<td>27-Apr-2015</td>
</tr>
<tr>
<td>20</td>
<td>07-Apr-15</td>
<td>Vanessa Fournier, Ymca</td>
<td>How to get into the Act</td>
<td>L. Aggar</td>
<td>07-Apr-15</td>
<td>Complete</td>
<td>7-Apr-2015</td>
</tr>
<tr>
<td>21</td>
<td>06-Apr-15</td>
<td>Erik Derick, XYZ Services LLC</td>
<td>UMCPCA Registration</td>
<td>L. Aggar</td>
<td>07-Apr-15</td>
<td>Complete</td>
<td>7-Apr-2015</td>
</tr>
<tr>
<td>22</td>
<td>06-Apr-15</td>
<td>Vanessa Fournier, Ymca</td>
<td>Questions about Ymca's affiliation</td>
<td>L. Aggar</td>
<td>07-Apr-15</td>
<td>Complete</td>
<td>7-Apr-2015</td>
</tr>
<tr>
<td>23</td>
<td>02-Apr-15</td>
<td>Erik Derick, XYZ Services LLC</td>
<td>UMCPCA Registration</td>
<td>L. Aggar</td>
<td>02-Apr-15</td>
<td>Complete</td>
<td>2-Apr-2015</td>
</tr>
</tbody>
</table>
## Commission Update

For the period March 1, 2015 - May 31, 2015

<table>
<thead>
<tr>
<th>No.</th>
<th>Date Received</th>
<th>Organization Requesting</th>
<th>Subject Title</th>
<th>Assigned To</th>
<th>Date Cutoff Received</th>
<th>Status</th>
<th>Date of Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>02-Apr-15</td>
<td>Ethics Group, KPA Services LLC</td>
<td>CPEGAG Referral</td>
<td>L. Appar</td>
<td>02-Apr-15</td>
<td>Complete</td>
<td>2-Apr-2015</td>
</tr>
</tbody>
</table>
9. The Public Contract Code section 22034(a) states “the agency shall maintain a list of qualified contractors...”. What is meant by the term “qualified contractors”?

The term “qualified contractors” is intended to define contractors who request to be added to an agency's list for specified types of specialty work and are licensed and otherwise legally qualified to perform that work as licensed contractors. In addition, the Commission has determined that nothing in the Act prohibits a participating agency from, at their discretion, using an objective pre-qualification process in the formation and maintenance of their contractor’s lists. This change will be added to the language on Section 3, page 7, of the Cost Accounting Policies and Procedures Manual.

1 The term Qualified Contractors is pending legislative change. The proposed term is Registered Contractors.

20. Can a signatory agency, claim to be exempt from requirements in the Public Contract Code (PCC) by claiming they only have to follow the language and procedures within the Act?

No. The Commission has ruled in the past that where the Act is silent, the standard Public Contract Code applies.

21. If signatory agencies are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?

Yes, a complaint can be brought to the Commission. PCC 22042 lists the categories of complaints that the Commission can consider.

23. May an agency contract separately for like work at the same site at the same time using the under $45,000 Force Account method?

Only as long as the total of all jobs is less than $45,000, otherwise the work falls under the informal contract limit of $175,000 or the formal bidding process.
24. May an agency bid out 2 separate projects that occur at the same time and site, but are different types of work?

--- Yes, there is no violation if the work is being competitively bid under PCC 20118.4. If the agency wants to use the negotiated or informal bidding processes, the agency must apply the appropriate limits to each of the projects. Each project must be separate in scope. Projects may not be separated by trade to avoid bidding. If the total of all jobs is greater than $45,000, the informal or formal bid limit will apply.

27.25 How does an agency process change orders when the standard code conflicts with the Act?

For contracts below $45,000, the total cost of the contract may not exceed $45,000. For informal contracts, under the Act, the limit is $175,000 including any change orders. If the agency is a school district, there may be additional limits and it is recommended the agency consult with their legal counsel for interpretation of change order limits for their region.

Change orders for formal bids would follow the requirements in PCC 20118.4.
June 17, 2015

CATHRYN A. HILLIARD, Executive Director
CONSTRUCTION INDUSTRY FORCE ACCOUNT COUNCIL (CIFAC)
837 Arnold Drive, Suite 200
Martinez, CA 94853

RE: CIFAC REQUEST FOR CLARIFICATION, July 28, 2014
Job Order Contracting, County of Ventura

Dear Ms. Hilliard:

Thank you for your request for clarification received by the California Uniform Construction Cost Accounting Commission. We have reviewed your concerns with regards to the County of Ventura’s use of Job Order Contracts related to the informal bid limits and processes as governed by the PCC and the Act and under the supervision of the CUCAC.

Our considered opinion is as follows:

- The issuance of an original JOC must be done pursuant to the Act. Specifically, the JOC contracting procedures must comply with the notification, advertisement, and award provisions of the Act.
- There is no limitation to JOC contracting imposed by the Act for work which does not qualify as a “Project” under PCC 22002(c).
- In accordance with the State Attorney General opinion (76 Op. Att. Gen 1267-7492), no work which could be classified as a “Project” under the Act may be performed under a JOC by a county signatory to the Act if the value of the task order exceeds the Act’s informal bid limit (currently $175,000).

Where agencies use informal bid job order contracts (JOC), they must comply with Section 22030-22045 of the Public Contract Code (PCC). JOC task orders for work which qualifies as a “public project” as defined by Section 22002 of the PCC must not exceed the informal bid limit (currently $175,000) when informally bid.
TO: Ms. Cathryn Hilliard, CIFAC  
       June 17, 2015  
       Page 2 of 2

The Act does not preclude the issuance of a JOC with task orders in excess of the informal bid limit. In this case, any JOC which includes work defined as a “public project” with a task order value in excess of the informal bid limit must be bid formally in compliance with the requirements of PCC section 22037.

Should you have any other questions regarding this matter, please do not hesitate to contact me.

Sincerely,

George Hicks  
Chairman, CUCCAC

GH: Jfc
June 8, 2015

Richard Chivare
Chief Counsel, California State Controller’s Office
P.O. Box 942850
Sacramento, California 94250-5872

Lili Appar, Fiscal Analyst
State Controller’s Office
Local Government Policy Section
P.O. Box 942850
Sacramento, California 94250-5872

Re: Job Order Contracting Clarification under CUCCAC

Dear Commissioners:

We are writing on behalf of the Gordian Group, a nationwide company that assists local governments with implementing and managing job order contract ("JOC") programs for the procurement of minor construction and renovation projects. The Gordian Group supports a number of signatories to the California Uniform Public Construction Cost Accounting Act ("the Act") and is very supportive of the mission of the California Uniform Construction Cost Accounting Commission. The Gordian Group tries to assist our client agencies in implementing cost-effective procurement tools while also adhering to the requirements of the Public Contract Code and any other applicable rules and regulations. In that spirit, we are seeking clarification on the interplay between the Act and other provisions of the Public Contract Code which specifically allows counties to use unit price annual contracts for “for repair, remodeling, or other repetitive work” but not for any new construction. (Pub. Con. Code §20128.5)

As you know, the Act currently defines a public project as “construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.” (Pub. Con. Code §22002, subd. (c)(1).) By definition, this includes both new construction and repair work. There is a potential for confusion when counties in California are signatories to the Act but also utilize JOC under section 20128.5.

In response to an inquiry by CIFAC which touched on the ambiguity, it is our understanding that the Commission recently rendered an interpretation and opinion that sought to harmonize the two statutory
provisions. Based on that opinion, and in an effort to help provide our clients with information that is consistent with the law and the view of the Commission, we are seeking clarification on the following questions.

Can you confirm that when county signatories to the Act enter, pursuant to CCR 2012R 5, into annual contracts for repair and renovation work—not new construction—counties should utilize the traditional formal bid process for the execution of the JOC? Similarly, can you confirm that when such counties issue individual job orders under formally bid JOCs, those job orders may not be for any new construction, and are subject to the dollar limitations in section 2012R 5?

We note that such an interpretation allows signatories to the Act to continue to use the existing statutory dollar limits for any public projects that involve any new construction under informal bid procedures, while simultaneously allows them to utilize the proven benefits of JOC for repair and renovation projects.

Because there is a fair amount of confusion among our various county clients, we look forward to receipt of a letter from the Commission clarifying our understanding is correct.

Thank you in advance for your attention to this matter.

Sincerely,

Patrick Whalen
June 23, 2015

George Hicks, Chair
and Members of the California Uniform Construction Cost Accounting Commission
ca State Controller’s Office
Local Government Policies Section
P.O. Box 942850
Sacramento, CA 94250

RE: Cuccac letter dated June 17, 2015 to address
CIFAC Request for Clarification, July 28, 2014

Dear Chairperson Hicks and Commissioners:

It is CIFAC’s position, as supported by the California Public Contract Code (PCC) and as stated in the Attorney General’s Opinion No. 92-1006, July 14, 1993, Volume 76, Page 126, Job Order Contracts are for “repair, remodeling, or other repetitive work and not new construction.” Based on these facts and documents as previously presented regarding the County of Ventura, CIFAC would like to respectfully request the Commission to reconsider their determination regarding CUCCAA and Job Order Contracting.

Although CUCCAC references the Attorney General’s Opinion No 92-1006 in their determination, we ask that you carefully reconsider the following points as they are stated in the Attorney General’s Opinion:

- JOC calls only for repair, remodeling, or other repetitive work and not new construction.
- A public project, or public works project, does not encompass a combination of projects which are essentially unspecified at the time of bidding.
- Unit price contracting authority is specially granted and subject to the specified limitations.

We are confident upon the Commission’s re-evaluation of Attorney General’s Opinion No 92-1006, you will find it to be not relevant in the matter of the County of Ventura utilizing JOC’s for new construction. The California Public Contract Code is clear in its definition of a Job Order Contract in §20128.5. The Act (for new construction) and Job Order Contracting (for maintenance) are two separate delivery methods and were not intended to be combined for streamlining the bidding process. Furthermore, the Act does not give the authority to imply there is no limitation to a JOC whereas JOC’s are expressly limited in the PCC. We urge the Commission to reconsider its position on the use of JOC for new Construction under the informal bidding procedures of the Act as there is no provision for this anywhere in statute.

Sincerely,

Cathryn A. Hilliard
Executive Director
Construction Industry Force Account Council (CIFAC)

Shari Bacon
Southern Region Field Representative

Attachments: Attorney General’s Opinion No. 92-1006, July 14, 1993, Volume 76, Page 126
June 8, 2015

Richard Chivarro
Chief Counsel, California State Controller’s Office
P.O. Box 942850
Sacramento, California 94250-5872

Lilli Appar, Fiscal Analyst
State Controller’s Office
Local Government Policy Section
P.O. Box 942850
Sacramento, California 94250-5872

Re: Job Order Contracting Clarification under CUCCAC

Dear Commissioner:

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As you know, the Act currently defines a public project as “construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.” (Pub. Con. Code § 20002, subd. (c)(1).) By definition, this includes both new construction and repair work. There is a potential for confusion when counties in California are signatories to the Act but also utilize JOC under section 20128.5.

In response to an inquiry by CIFAC which touched on the ambiguity, it is our understanding that the Commission recently rendered an interpretation and opinion that sought to harmonize the two statutory
provisions. Based on that opinion, and in an effort to help provide our clients with information that is consistent with the law and the view of the Commission, we are seeking clarification on the following questions.

Can you confirm that when county signatories to the Act enter, pursuant to PCC 20128.5, into annual contracts for repair and renovation work—not new construction—counties should utilize the traditional formal bid process for the execution of the JOC? Similarly, can you confirm that when such counties issue individual job orders under formally bid JOCs, those job orders may not be for any new construction, and are subject to the dollar limits in section 20128.59?

We note that such an interpretation allows signatories to the Act to continue to use the existing statutory dollar limits for any public projects that involve any new construction under informal bid procedures, while simultaneously allows them to utilize the proven benefits of JOC for repair and renovation projects.

Because there is a fair amount of confusion among our various county clients, we look forward to receipt of a letter from the Commission clarifying our understanding is correct.

Thank you in advance for your attention to this matter.

Sincerely,

Patrick Whalen
February 3, 2014

SUBJECT: REQUEST FOR YOUR SUPPORT FOR THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (COUGAC)

From:

As a current member and officer of the Commission, please join us in supporting COUGAC with a contribution of $2000. This contribution strengthens the Commission's ability to ensure the equitable application of the California Uniform Public Construction Cost Accounting Act as intended when it was enacted in 1983 — more than 30 years ago.

Our industry has already experienced the benefits of membership such as the creation of the Cost Accounting Procedures Manual (currently under development) that mandates local governments use of the Public Contract Code and requires them to submit bids. It includes rules that limit the use of force account or day labor to undertake public works construction and major maintenance that licensed contractors should be doing.

You also have access to a Constitution whose composition is fairly balanced between private and public sector representatives of the public works construction industry, and who can, hopefully, settle accounting disputes keeping both sides out of court, thus avoiding expensive legal fees. The Constitution also makes recommendations to the State Controller to determine force account limits and funding thresholds as needed.

Since its creation by the Legislature in 1983, except for the initial start-up costs, there has been no source of funding for the Act. All of the Commissioners have volunteered their time. We now need industry support in order to continue to provide these valuable services.

1 of 2

Agenda Item 10b

Your contribution will be used to:
- Conduct cost accounting reviews with independent accounting consultants;
- Update the Cost Accounting Manual (in process);
- Maintain a website for easy access to the manual and sample completed work with the intention to continue to keep it alive and adapt the code to changing times and challenges;
- Periodically review force account and holding rules to ensure that they are relevant and keeping pace with today's industry demands.

Please help us by making your check payable to the "State of California" and make the memo portion "for COUGAC" and at your earliest convenience, sending your contribution to:

State Controller's Office
Division of Accounting & Reporting
2090 C Street, Suite 500
Sacramento, CA 95814

ATTN: LL Appar

Thank you so much for your support.

Sincerely,

L.J. Clifford, Commissioner
Vice Chair, COUGAC CFO
C.F. Myers, Inc.
February 12, 2010

SUBJECT: REQUEST FOR YOUR SUPPORT FOR THE CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING COMMISSION (CUCAC)

Dear [Name],

As a current member and officer of the Commission, I am writing to request your support of CUCAC with a contribution of $250. This commission strengthens the Commission’s ability to ensure the uniform application of the California Uniform Public Construction Cost Accounting Act (the Act) as intended when it was enacted in 1983 — more than 25 years ago.

Some districts that have adopted the Act experience the benefit of increased limits on their bidding thresholds for public works projects. The higher limits allow school districts to complete more small projects without the limitations of competitive bidding. In addition, the higher limits provide a fair and competitive process for projects that are more substantial in size.

The Commission, comprised of a balance of private and public sector representatives, provides support to members and staff through commission members who are knowledgeable in their respective divisions. It is tasked with maintaining the California Uniform Public Construction Cost Accounting Manual. Recommending legislative changes to the Public Contract Code; making recommendations to the State Controller to determine the appropriate limits and bidding thresholds as needed; keeping abreast of legislative changes that affect member districts, providing training in the use of the Act; and hearing and attempting to settle disputes between contractors, private citizens, and districts, keeping both sides out of court and thus avoiding expensive litigation.

Since its creation by the Legislature in 1983, except for the initial startup costs, there has been no source of funding for the Act. All of the Commissioners have volunteered their time. Commissioners do this gladly, however, they need your support in order to continue to provide these valuable services.

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Agenda Item 10b:

Your contribution of $250 or any amount you are able to provide, will be used to: provide training for public agencies on compliance with the Act, conduct cost accounting reviews with independent accounting consultants as necessary, update the Cost Accounting Manual, and provide a website for easy access to the rules and sample templates, work with the Legislature to improve the code; changing times and challenges, and periodically review time account and bidding rules to ensure that they are relevant and keep pace with today’s demands.

Please help by making your contribution to the “state of California” with a note in the memo portion “for CUCAC” and, at your earliest convenience, sending your contribution to: State Controller’s Office Division of Accounting & Reporting 4201 K Street, Suite 200 Sacramento, CA 95814 Attn: Lili Appar

It would also be greatly appreciated if you would recognize an email when you mail your check so I can make sure that the CUCAC account is properly credited. Thank you!

Sincerely,

Outside Cameron, Commissioner Secretary Treasurer, CUCAC
This letter is to inform you and ____________________ ("________________") that the __________________ has been determined by our commission to be in violation of the Uniform Public Construction Cost Accounting Act (Act) on the __________________ project started on or about __________________. The Construction Industry Force Account Council (CIFAC) filed a formal complaint with our commission on __________________, and sent a letter to you on the same date (a copy of the complaint is enclosed) stating that the __________________ had violated Public Contract Code by failing to publicly declare the work to be performed by force account prior to commencing the work which is required under PCC 20034 (e) thereby exceeding the __________________ force account limit as established in PCC 20032 (a).

The commission received both testimony and a letter from the __________________; however neither rebutted the facts as indicated in the CIFAC complaint; therefore, our decision was based on the facts as presented by CIFAC and after consideration of your testimony and written response. As a signatory member of the Act, and pursuant to Public Contract Code 20044, you must agenda this item and present the commission’s findings in a public meeting to your governing body within 30 days of receipt of this letter. Please send a copy of your minutes for said presentation addressed to the commission at the address found below. We request that you present a copy of this letter in the public record to your governing body so that we can confirm that your governing body is in receipt of this notice.

In addition, pursuant to Public Contract Code Section 20044.5, if the commission finds any public agency out of compliance with the requirements of the Act on three separate occasions within a ten (10) year period, that agency will be barred from using the provisions of the Act for a period of five years. This finding will be held on record as the __________________ first violation under this section of law.
Dear Mr./Ms. [Name],

The [complainant] filed a request with the California Uniform Construction Cost Accounting Commission (Commission) to perform an account review of the [project] within the [agency name]. The [complainant] reported presented evidence that the work undertaken by the public agency (violation), pursuant to Public Contract Code (PCC) section 22042(a)(b)(c).

(a) Is to be performed by a public agency after rejection of all bids, claiming work can be done less expensively by the public agency.
(b) Exceeded the force account limits.
(c) Has been improperly classified as maintenance.

After consideration of the evidence and deliberation, the Commission determined that the [agency] did violate the Uniform Public Construction Cost Accounting Act (Act) by violating in performing [project]. The Commission concluded that violation occurred due to [reason and PCC Code section]. This is the [number] violation by the [agency] within a ten-year period.

Based on [complaints, testimony, or communication], it is the Commission's understanding that this issue will be addressed by the [agency]. Pursuant to PCC section 22044(b), the [agency] shall present the commission's findings to its governing body and that governing body shall conduct a public hearing with regard to the commission's findings within 30 days of receipt of the findings. A copy of this letter shall be made part of the record transmitted to the governing body in support of the public hearing.

Upon conclusion of the public hearing on this matter, please submit a copy of the [agency] governing body's meeting minutes by mail to:

California Uniform Construction Cost Accounting Commission
c/o State Controller's Office
Division of Accounting and Reporting
Local Government Policy Section
P.O. Box 943850
Sacramento, California 94250

If you have any questions regarding this matter, please contact me at (707) 428-7495.

Sincerely,

GEORGE HICKS, Chair

cc: [Complainant] (via email)
    Robert Szabo, State Controller's Office (via email)