<u>STATE OF CALIFORNIA</u> California Uniform Construction Cost Accounting Commission

John Nunan Consultant General Contractors Chair-CUCCAC

Leeann Errotabere Retired Director of Purchasing Clovis Unified School District School Districts Vice Chair-CUCCAC

Nathaniel Holt Chief Facilities Officer & Bond Program Director Compton Unified School District School Districts Secretary-CUCCAC

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Will Clemens Retired General Manager Oceano Community Services District Special Districts

Johannes J. Hoevertsz Director of Transportation and Public Works Sonoma County *Counties*

Mike James Assistant City Manager City of Pismo Beach *Cities*

Chuck Poss President Earth Construction & Mining Subcontractors

Hertz Ramirez Business Manager Laborers' International Union of North America *Labor*

> Chad D. Rinde Director of Finance County of Sacramento *Counties*

Jeremy Smith Chief of Staff and Director of Workforce Development State Building and Construction Trade Council *Labor*

Mary Teichert General Contractors Contractors State License Board Appointed

Jennifer Wakeman Assistant Administrative Services Director/Financial Services Manager City of Lafayette *Cities*

Peter Worhunsky President & CEO Live Oak Infrastructure Group *General Contractors* 2/14/2025

Robert Vestal Public Works Director City of Beaumont Sent via email to: rvestal@beaumontca.gov

Re: CUCCAC Action – January 31, 2025

Dear Robert Vestal:

The Construction Industry Force Account Council (CIFAC) filed a request with the California Uniform Construction Cost Accounting Commission (Commission) to perform an accounting review of the business practices used by the City of Beaumont on the City of Beaumont Park Improvement Project 24-05. CIFAC presented evidence that the work undertaken by the City of Beaumont, allegedly violated Public Contract Code (PCC) section 22042(c). At the time the alleged violation occurred, the provisions of PCC section 22042 were as follows:

The commission shall review the accounting procedures of any participating public agency where an interested party presents evidence that the work undertaken by the public agency falls within any of the following categories:

- (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 found the City of Beaumont to be in violation of PCC section 22042(c).

Pursuant to PCC section 22044(b), the City of Beaumont "...shall present the commission's findings to its governing body within 30 calendar days of receipt of written notice of the findings...". Additionally, "...that governing body shall conduct a public hearing with regard to the commission's findings within 60 calendar days of receipt of the findings."

Furthermore, the Commission recommended the City of Beaumont contact CIFAC to request training and education on the provisions of the California Uniform Public Construction Cost Accounting Act (Act) in order to avoid similar violations of the Act in the future. The Commission suggested that CUCCAC Commissioners that represent "Cities" be contacted for inclusion in the training and education.

State Controller's Office-Local Government Policy Section

P.O. Box 942850, Sacramento, CA 94250

LocalGovPolicy@sco.ca.gov

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Peter Worhunsky President & CEO Live Oak Infrastructure Group *General Contractors* Sincerely,

John Nunan

John Nunan, Chair