CIFAC’s mission is to create and preserve job opportunities for the public works construction industry by ensuring that new public works construction projects go out to bid. This is done by CIFAC’s enforcement of California’s Public Contract Code and by working with public agencies to make sure they are aware of the need to be compliant with the law.
Together with my fellow Executive Committee and Board members, I wish you a very happy, healthy and prosperous year!

2018 started on a high note and ended with a bang! SB1 money started rolling in the beginning of the year and our compliance officers started monitoring and tracking these projects to ensure the agencies were compliant and our members were working. The attack on these funds did not detract CIFAC investigators from their goals but instead kept us energized and focused. With the defeat of Prop 6 and funding protected, we can move forward with our mission.

This organization has provided service to our supporters and members for 42 years, despite highs and lows in the industry. Whether the economy is thriving and construction is booming or the economy is in a recession, the need to protect jobs is always our top priority.

Northern and Southern California investigations totaled 208, a 34% increase from the prior year. Highlights in Northern California include: CIFAC’s influencing the Roseville City School District to cease force account on their Orchard Ranch Portables project and bid the $160,000 project; influencing the Western Shasta Resources Conservation District to bid two contracts worth over $5,000,000, and assisting our partners and collectively influencing the San Mateo Foster City School District to bid a new school construction project worth over $70,000,000! Highlights in Southern California include: influencing the City of Glendora to rebid a $330,000 project that they had intended on exempting from prevailing wage and negotiating a contract; to ensuring the City of Pismo Beach and South Gate competitively bid a $140,000 project and a $240,000 project rather than issuing change orders for work not included in the original scopes of other contracts. Whether it is a large-scale project or a small-scale project, we are hard at work creating more job opportunities for the industry.

For other examples of CIFAC victories, please refer to the monthly progress reports you receive via email. If you are not already on the list for these free monthly updates, please send your email address to sallen@cifac.org.

Our legislative program is key to CIFAC’s successes. With the expertise of Eddie Bernacchi, our Sacramento legislative advocate, we are able to defeat bills that limit your ability to perform work by contract, and defend force account limits from being raised.

2019 begins with strategic planning. In order to increase jobs for our members now and in the future, we need to use technology to our advantage. A very important project that is now underway includes a mobile project reporting application. We are currently working with a developer to create a hybrid phone app that will streamline the project reporting process for our members when they suspect an agency is in violation. The app will allow job site pictures and information to be sent from the field directly to us and will be geo tracked for easy project mapping and time stamping. This will provide quicker notification to our Regional Compliance Managers and enhance investigation turnaround completion time. The app will be the first of its kind, as there are no other compliance organizations in California that utilize technology in this manner.

Other important goals for 2019 include re-branding CIFAC with an updated logo that is more encompassing of the job we perform. We also plan on redesigning our collateral materials and seminar displays for a more updated and uniform presentation, in addition to revamping the website.

The growth of CIFAC has been propelled by our collective actions. I would like to thank the staff, Board and Executive Committee, members and constituents for your support and dedication.

Sincerely,

David A. Thomas
Northern California District Council of Laborers
2018 END OF YEAR LEGISLATIVE REPORT

CONTRIBUTED BY EDDIE BERNACCHI, POLITICO GROUP

SACRAMENTO – The California Legislature concluded the 2018 legislative session on September 30th which was the deadline for Governor Brown to sign or veto legislation.

In 2018 CIFAC continued to push for legislation that would enhance the California Uniform Public Construction Cost Accounting Act in an effort to encourage more agencies to participate. CIFAC supported measures to help agencies comply with the reporting requirements that assist in enforcing the “road commissioner cap” and improvements to the Act itself including increases to the limits.

In addition, and as always, CIFAC took the leading role in defending force account limits and had another successful Act itself including increases to the limits.

Enclosed is a list of the key bills CIFAC actively lobbied in 2018 and the outcome.

LEGISLATION CIFAC SUPPORTED

AB 636 - Local Streets and Roads: Expenditure Reports: Current law requires each city and county to submit to the Controller a complete report of expenditures for street and road purposes by October 1 of each year, covering expenditures for the preceding fiscal year. This is the report used to calculate the “road commissioner cap” and improvements to the Act itself including increases to the limits.

• STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 159, Statutes of 2018.

AB 2249 - Public contracts: local agencies: alternative procedure: The California Uniform Public Construction Cost Accounting Act (CUPCCAA) requires the Commission to review the Act’s limits on contracting by force account and its bid limits every five years to account for changes in public construction costs. If the Commission recommends higher limits, to take effect, the Controller must promulgate the new limits and the Legislature must amends the CUPCCAA to reflect the adjusted amounts.

At its September 28, 2017, meeting, the Commission voted to increase bid thresholds to account for increased construction costs, as follows:

• Increase bid limits for employees of a public agency by force account, negotiated contract, or negotiated purchase order with a contractor from $45,000 to $150,000;
• Increase bid limits for public projects that can be contracted through informal procedures from $175,000 to $200,000 and
• Increase bid limits for public projects that must be contracted through formal procedures to $200,000.

AB 2249 made the corresponding changes to the CUPCCAA.

In addition, at CIFAC’s request, the measure was amended to provide clarity as to when the increases take effect. Ensuring legislative approval overrides any other action.

• STATUS: Approved by the Governor. Chaptered by Secretary of State - Chapter 554, Statutes of 2018.

SB 929 - Special Districts: internet websites: Requires all independent special districts to establish and maintain a website by January 1, 2020, and requires the website to conform to all existing requirements that local agency websites are obligated to follow. The measure will help provide greater transparency and accountability of special district activities.

• STATUS: Approved by the Governor. Chaptered by Secretary of State. Chapter 408, Statutes of 2018.

AB 2003 Public contracts: sanitation districts: notice: Existing law requires the notice of a sanitation district public works bid opportunity to be published, at least twice, not less than 5 days apart, in a newspaper of general circulation, printed and published in the district, or if there is none, to be posted in at least 3 public places in the district that have been designated by the district board as places for posting this notice. This measure would have instead required the notice of a public works bid opportunity for a sanitation district, to be published in a manner that the district board determines to be reasonable, which may include, but is not limited to, newspapers, Internet Web sites, radio, television, or other means of mass communication.

The requirements to publish bids proposed by AB 2003 provided too much latitude and could be manipulated to notify a singular preselected contractor of bidding opportunities.

• STATUS: Dead

AB 2633 Public contracts: county-owned buildings: Would have raised the force account limit for counties with a population of 5 million or more [LA County & San Diego County] from $50,000 to $150,000.

• STATUS: Dead

LEGISLATION CIFAC ACTIVELY MONITORED

AB 2003 Public contracts: sanitation districts: notice: Existing law requires the notice of a sanitation district public works bid opportunity to be published, at least twice, not less than 5 days apart, in a newspaper of general circulation, printed and published in the district, or if there is none, to be posted in at least 3 public places in the district that have been designated by the district board as places for posting this notice. This measure would have instead required the notice of a public works bid opportunity for a sanitation district, to be published in a manner that the district board determines to be reasonable, which may include, but is not limited to, newspapers, Internet Web sites, radio, television, or other means of mass communication.

The requirements to publish bids proposed by AB 2003 provided too much latitude and could be manipulated to notify a singular preselected contractor of bidding opportunities.

• STATUS: Dead

AB 2633 Public contracts: county-owned buildings: Would have raised the force account limit for counties with a population of 5 million or more [LA County & San Diego County] from $50,000 to $150,000.

• STATUS: Dead
**AB 2488 - Task order procurement contracting:** Los Angeles Unified School District: Establishes, until January 1, 2024, a pilot project in which the governing board of the Los Angeles Unified School District would be authorized to award multiple annual task order procurement contracts, not exceeding $3,000,000 each, for purposes that include, services, repairs including maintenance, and construction, that are paid for with moneys from the school district’s general fund. The bill would require the contracts to be awarded to the lowest responsible bidder and to be based primarily on plans and specifications for typical work.

- **STATUS:** Approved by the Governor. Chaptered by Secretary of State - Chapter 129, Statutes of 2018.

**SB 914 - Local agency contracts:** Construction manager at-risk construction contracts: Current law authorizes a county, until January 1, 2023, to utilize construction manager at-risk (CMAR) construction contracts for the erection, construction, alteration, repair, or improvement of any building owned or leased by the county and stipulates that the method may only be used for projects that are in excess of $1,000,000. This bill expands that authorization and allows a county to use the CMAR project delivery method on any infrastructure owned or leased by the county, excluding roads, but including buildings, utility improvements associated with buildings, flood control and underground utility improvements, and bridges.

- **STATUS:** Approved by the Governor. Chaptered by Secretary of State. Chapter 108, Statutes of 2018.

**SB 1262 - Construction Manager/General Contractor project delivery method:** Department of Transportation: Removes the cap on the number of projects for which the Department of Transportation is authorized to use the Construction Manager/General Contractor (CM/GC) method for project delivery. The bill also imposes the requirement to use department employees or consultants to perform project design and engineering services on at least 2/3 of the projects delivered by the department utilizing the CM/GC method.

- **STATUS:** Approved by the Governor. Chaptered by Secretary of State. Chapter 465, Statutes of 2018.

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**2018 ... BY THE NUMBERS**

CIFAC investigated 208 projects, totaling $1,390,050,771
21 projects were directly influenced totaling $107,807,033
This means that for every dollar contributed to CIFAC, $90 was contributed back to the industry by way of job creation.

**2018 INCREASED FROM 2017 BY OVER 30%**

In the last three years we have seen an increase in the amount of investigations performed.
2019 ... A YEAR AHEAD

Due to the increase in investigations and in order to streamline reporting for our partners, the phone application Kwikcompli will be ready for use by midyear. Kwikcompli contains the three key elements to app investigation reporting and once a report is received, CIFAC Regional Compliance Managers (RCM) can spurt to action and immediately mobilize.

In an effort to educate agency staff and public officials, CIFAC RCM’s are dedicated to increase their outreach efforts by regularly attending public meetings where they may put on short presentations about the importance of transparency and the Public Contract Code requirements. Establishing working relationships with agencies is important in preventing force account and bidding violations and CIFAC will be at the front end of these projects.

Ample public funding for projects and a lack of skilled labor means agencies will try to self-perform work; pursue legislation to increase their bid threshold and skirt contracting laws. CIFAC’s Executive Director and Legislative Advocate will be monitoring proposed legislation to defend the force account limits and maintain the integrity of the bidding and contracting system. RCM’s will monitor cities looking to become charter in an effort to exempt the bidding and prevailing wage requirements.

Our contribution to the public works construction industry is significant and we are dedicated to our mission of Public Contract Code enforcement and creating jobs for the construction industry.

Member Organizations
Associated General Contractors of California *
Associated Roofing Contractors of the Bay Area Counties Inc.
California Association of Sheet Metal and Air Conditioning Contractors, National Association (CalSMACNA)
California Field Ironworkers Labor/Management Cooperative Trust
California State Council of Laborers
Construction & General Laborers Union, Local 185
District Council of Plasterers and Cement Masons
Engineering Contractors Association
Los Angeles and Orange County Building and Construction Trades Council
North Coast Builders Exchange
Northern California District Council of Laborers *
Operating Engineers, Local 3 *
Southern California Contractors Association
Southern California District Council of Laborers (SCDCL) *
State Building and Construction Trades Council (BCTC)
Trench Shoring Company
United Contractors *
Valley Contractors Exchange, Inc.
Wall And Ceiling Alliance (WACA)

Large Contributors
Center for Contract Compliance
CIF/FCIA Trust Funds
46-Northern California Carpenters Conference Board
46-NCCCB
Plasterers and Cement Masons of Northern California

Associate Members
Building & Construction Trades Council of Humboldt-DEL Norte Counties

Supporters
Sonoma, Mendocino & Lake Counties B.C.T.C

Download the KwikCompli App to your phone or tablet
Take a project pic or upload a project pic from your gallery
Then fill-in the details & submit
You Will Remain Anonymous When We Investigate!

Public Agency Construction Compliance at your fingertips

EASY AS 1-2-3!

CIFAC has developed the “First Of Its Kind” compliance application for your mobile phone or tablet. Specifically developed for the construction industry, the KwikCompli (quick-compliance) mobile app will provide a fast and free way to report possible public agency violations. So if you see public agency crews performing new construction work or notice a contractor on a public agency construction project that may not have been bid, then KwikCompli is the solution!
### Balance Sheet

**For the Period Ended December 31, 2018**  
Financial Statements in U.S. Dollars

#### ASSETS

**Current Assets**
- Cash: $888,401
- Accounts Receivable: 205,655
- Temporary Investment: 244,826
- Prepaid Expenses: 16,831

**Total Current Assets**: $1,355,713

**Fixed Assets**
- Furniture and Equipment: $53,343  
  (less accumulated depreciation): (32,513)
- Leasehold Improvements: 11,080  
  (less accumulated depreciation): (3,373)
- Security Deposit: 4,050

**Total Net Fixed Assets**: $32,586

**TOTAL ASSETS**: $1,388,299

#### LIABILITIES

**Current Liabilities**
- Accounts Payable: $29,845
- Accrued Payable - other: 586
- Accrued Vacation: 19,052

**Total Current Liabilities**: $49,483

**Equity**
- Restricted Net Assets: $88
- Unrestricted Net Assets: 1,338,728

**Total Equity**: $1,338,816

**TOTAL LIABILITIES & EQUITY**: $1,388,299

**Unaudited Financial Statement**  
12/31/2018

### Income Statement

**For the Period Ended December 31, 2018**  
Financial Statements in U.S. Dollars

#### Revenue
- Hour's Contribution: $253,233
- Fixed Contribution: 18,000
- Trust Contribution: 422,130
- Membership Contribution: 10,300
- Other: 24,796

**Gross Revenue**: $1,280,153

#### Expenses
- Contract Services: $24,240
- General Operations: 89,015
- Insurance: 7,437
- Legal and Professional Fees: 34,107
- Legislation and Investigation: 60,585
- Outreach: 27,142
- Payroll Expenses: 182,127
- Salaries/Wages: 532,310
- Travel: 53,808

**Total Expenses**: $1,010,770

**Net Operating Income**: $249,382

#### Other Income
- Interest Income: $3,850
- Miscellaneous Expense: 0

**Total Other Income**: $3,850

**Net Income (Loss)**: $253,233

**Unaudited Financial Statement**  
12/31/2018

### Statement of Changes in Financial Position

**For the Year Ended December 31, 2018**

**Cash Flows from Operating Activities**
- Net income: $253,233
- Increase (decrease) in cash during the period: $192,572

**Cash Flows from Investing Activities**
- Purchase of Furniture and Equipment: (0)
- Net cash provided (used) by investing activities: 0

**Cash Flows from Financing Activities**
- Adjustment to Net Assets: 0
- Increase (decrease) in cash balance: 0

**Increase (decrease) in cash at the beginning of the period**: $695,829
- Cash balance at the end of the period: $888,401

**Certificate of Authorization**

I, Bill Koponen, CIFAC's Treasurer and a duly authorized officer of the Corporation, do hereby certify, that this 2017 financial statement was prepared without audit from the corporation's books and records.

Bill Koponen, Treasurer  
7/16/2019
Created in 1977, CIFAC is your resource for Public Contract Code (PCC) compliance and public works construction rules and regulations. Our goals include maintaining a level playing field for contractors; transparency of government and stimulating competition to ensure taxpayer money is used in a sound fiscal manner.