

State School Bonds

State Bond Sales

The Governor's May Revision continues to include language and funding for two state bond sales during the July 1, 2012 to June 30, 2013 fiscal year.

The amount of bonds sold and the purpose is not specified. ACCM will continue to work for state school bonds to be included in both bond sales. The first sale of already voter approved bonds is expected to be in September 2012 with the second in March 2013.

Ensuring the flow of state matching funds to school district projects is one of ACCM's highest priorities.



State Allocation Board Unfunded Approvals

By July 1, 2012, the uncommitted school bond authority (this is the amount of already voter approved but not yet sold bonds) is expected to be exhausted for regular new construction and modernization projects. However, there still will be authorization for Overcrowded Relief Grants, Seismic Safety and any returned Charter School and Career Technical Education program grants that can only be used by those programs.

For the regular new construction and modernization programs, the State Allocation Board (SAB) is considering a new list that projects could be placed on. The new list would show that the project met the current law requirements for funding, but being on the list does not ensure future funding if the School Facility Program is changed as part of placing a new bond on the 2014 state ballot.

The SAB is expected to act on this proposal at their June meeting. They also are expected to apportion more than \$600 million for projects at the June meeting. The apportioned funds are from the March 2012 state school bond sale.

Local School Bonds on Ballots

The June 5, 2012 primary election had 34 school bonds on the ballot for \$1,981,375,000 in proposed local bonds. Of these K-12 proposals, 23 for \$1,508,680,000 passed, while 11 for \$472,695 failed passage. The June 5th ballot also included 12 parcel taxes of which 8 passed.

One community college bond passed \$350,000,000, and one community college parcel tax passed.

The largest successful bond, \$298,000,000, was passed by the Clovis Unified School District. The bond with the highest approval was passed at 82.72% by the Reef Sunset School District. For a complete listing of election results for school bond and parcel taxes, please see pages 6 and 7.

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Legislation of Interest

ACCM OPPOSE

Pre-Qualification

AB 1565 (Fuentes) would mandate that school districts use a pre-qualification process for contractors and subcontractors if a school district receives funding from the state School Facilities Program. The bill is similar to last year's SB 600 (Rubio) which was opposed by ACCM. AB 1565, however, does include changes to provide: 1) more flexibility in the pre-qualification document used by the school district; and 2) limits the number of subcontractors who would have to be part of the pre-qualification process. The bill still continues the mandate to use pre-qualification and would apply to any project of more than one million (\$1,000,000) dollars. The bill's pre-qualification requirements would discourage school districts from choosing to use the construction management multiple-prime delivery process. As amended, the bill would not take effect until January 1, 2014. *To Senate*

ACCM continues to have concerns with the legislation and will be working with the author's office and sponsors to attempt to remove our concerns. However, if those concerns cannot be sufficiently removed, ACCM will continue its opposition to AB 1565.

ACCM SUPPORT

Design Build

Senate Bill 1509 (Simitian) and AB 1901 (Jones) both address Design Build projects. Senator Simitian's bill is specific to school facilities design build requirements. SB 1509 would remove the current design build authority sunset date of January 1, 2014. This would extend the provisions indefinitely. AB 1901 addresses the county authority to use design build. AB 1901 would extend the current sunset date of July 1, 2014 to July 1, 2016 and also remove the current floor of \$2,500,000 before the project could be eligible for the design build process. *Assembly Education Committee*

ACCM WATCH

Definition of Contractor

AB 2237 (Monning) would change the definition of a contractor for the purposes of determining state contractor licensing. The bill was amended in April to apply only to residential construction consultants. *To Senate*

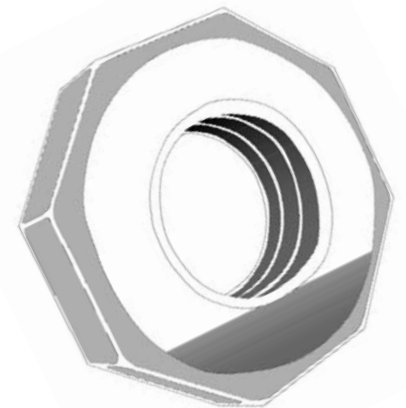
Developer Fees

AB 1903 (Buchanan and Haggman) would suspend the ability of school districts to levy increased developer fees when the state can no longer make matching grants on eligible school facility projects. The suspension of increased fees reduces the facility funding available to schools, but because there is very limited residential development and current developer fees

still can be levied, the lost opportunity for increased fees probably will not be significant for almost all school districts. The bill has a sunset provision that is tied to an expected 2014 state school bond. *To Senate*

"As Equal" Bids

SB 1516 (Leno) would prohibit public works contract bid specifications from requiring a bidder to provide submission of data substantiating a request or a substitution of "as equal" item prior to the bid or proposal submission deadline. The bill's intent is to encourage use of "as equal" and reduce the use of proprietary bid specifications. The bill would not apply to state public works projects. C.A.S.H. and the Public Works Coalition are opposing the bill because they believe it could increase bid challenges and delay time sensitive projects. *Assembly Business Professions and Consumer Protection Committee*



Final Construction Costs for DSA Certification

By Dick Cowan, XL Construction and Ed Mierau, Neff Construction, Inc.

The Division of the State Architect (DSA) recently issued Bulletin 12-01 and Form DSA-168 as a first step toward implementing a more streamlined process for tracking and reconciling final construction cost data. In the near future, the process for approving and documenting changes to the work of DSA approved plans and specifications during construction will not require the submission of the actual formalized contractor change orders for the project. Instead, the final DSA plan check fees will be based on the final construction costs as reported by a school district using the new DSA-168 form. Although districts still currently need to submit all change orders on their projects, the second step of this streamlining process will completely eliminate this requirement and move to narrow the needed submissions to only construction change documents (not change orders) which pertain to the three DSA plan check areas—structural, fire/life safety, and accessibility. Construction change documents might be stamped and signed sketches, RFI responses, or new drawings. Until this second step is completed, districts with projects that are not closed out and certified through DSA should refer to DSA Bulletin 12-01 to determine whether they will need to submit the new DSA-168 form.

Some simple tips for insuring that you are not being assessed an increased DSA fee amount.

Districts should report only construction costs and not “soft costs.” So costs associated with such items as inspection, testing, design, attorney or district management of projects, and furnishings and equipment, all commonly called as soft costs, are not considered by DSA to be part of the basis for their fee calculation. For most school projects, the DSA fee calculation will be based on the total construction contract(s) needed to complete the work shown in the DSA approved plans and specifications. For multiple-prime jobs, this would be the sum of all the trade contracts needed to accomplish the work contained in these documents. But for design-build or lease-leaseback projects, be sure to not report the design cost from consultants or design-build subs, any financing costs, and any builder supplied furnishings and equipment.

Reporting change order costs to the DSA approved plans.

As noted above, districts must currently submit all construction related change orders and the new DSA-168 forms on their projects. Deductive change orders removing work from the approved documents are not used by DSA for fee calculation reduction purposes and should not be deducted from the total construction costs reported on the DSA-168 form. Recently, some districts found it more convenient to add routine maintenance work to contracts underway which would not be plan checked by DSA. A strong argument can be made that these costs should not be included in the total construction cost since it was not a part of the DSA plan check effort. Another complicated area relates to the filing of claims and/or lawsuits. Since the DSA-168 form must be filed before certification can be obtained, a claim or lawsuit might prevent a precise calculation of the final change order(s) to a project, which can sometimes result in a lengthy delay to certification. In these cases, it is recommended that a district use its best judgment as to what the final change order amount will be.

What about Construction Management costs?

The DSA's IRA A23 is instructive. For jobs using Construction Management Multiple-Prime or Construction Management At-Risk, fees and costs analogous to those of a general contractor should be reported—items such as site supervision, construction fencing, and temporary construction water and power, and other standard general conditions items. However, when a project or construction manager is acting as a district representative, just as a district employee might, the associated cost or fee should not be reported. Naturally, these same views of what is a construction cost and what is not can help districts accurately fill in line 15 of the DSA-1 when plans and specifications are first submitted to DSA, and pay only the plan check fee required.

Dick and Ed serve on the Board of the Association of California Construction Managers

ACCM Activities, Accomplishments and 2012 Goals

The Association of California Construction Managers (ACCM) represents Construction Management (CM) firms working with California's K-14 school and community college districts. ACCM:

- Provides direct legislative lobbying on new proposed legislation that affects CMs on school facility projects;
- Provides direct administrative lobbying with the State Allocation Board, Department of Finance, Department of Education, and the Division of the State Architect, as well as many other state agencies. Our administrative lobbying is on regulations and policies that affect school construction and CM services;
- Organizes short-term coalitions to pressure for adequate pipeline funds for school facilities;
- Develops information for state agency and school district use regarding construction costs and construction methods; and
- Provides member firms information about school bonds placed on local ballots, demographic trends in enrollment by county and other information useful for working with potential K-14 clients.

2012 Goals

- This year ACCM will continue working on a 2012 state school bond for the 2012 state ballot.
- ACCM will be active in legislation affecting school facility funding, as well as legislation affecting schools and CMs in bidding requirements, pre-qualification requirements and numerous other topics.
- ACCM will continue to work with the State Allocation Board as they consider developing new policies for the current School Facility Program.

2011 Accomplishments

- ACCM members participated in the Superintendent of Public Instruction's School Facility Task Force for energy conservation; the State Architect's Expert Working Group for streamlining the school facility application process; and advocated for a 2012 state school bond for the 2012 state ballot.
- ACCM again successfully opposed legislation to mandate a complex pre-qualification requirement.
- ACCM participated with the Coalition for Adequate School Housing, California Building Industry Association and organized labor for a state school bond sale to fund approved projects.

ACCM Membership Application

Membership in the Association of California Construction Managers is open to firms and individuals sharing a common interest in the promotion of construction management as a professional service. The Association's membership represents a broad spectrum of the construction industry.

Name: _____

Title: _____

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

Annual CM Revenue/Annual FEE

Less than \$2 million=\$2,000

Over \$2 million=\$4,000

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--This list is preliminary and unofficial --
June 5, 2012 Local School Bond and Parcel Tax Measures

County	Date	District	Measure	Type	Amount	Vote	Percent Yes	Percent No	Pass/Fail
Alameda	5-Jun	Peralta Community College District	B	Parcel	\$48 per parcel	2/3	71.67%	28.33%	P
	5-Jun	Dublin USD	E	Bond	\$99,000,000	55%	61.90%	38.10%	P
	5-Jun	Hayward USD	G	Parcel	\$58 per parcel	2/3	70.21%	29.79%	P
	5-Jun	New Haven USD	H	Parcel	\$180 per year for 4 years	2/3	62.29%	37.71%	F
Butte	5-Jun	Biggs USD	B	Bond	\$6,000,000	55%	42.04%	57.96%	F
	5-Jun	Gridley USD	C	Bond	\$11,000,000	55%	51.69%	48.39%	F
	5-Jun	Gridley USD	D	Bond	\$2,500,000	55%	53.86%	46.14%	F
Contra Costa	5-Jun	Antioch USD	J	Bond	\$59,500,000	55%	53.46%	46.54%	F
	5-Jun	West Contra Costa USD	K	Parcel	renew existing for 5 years	2/3	53.46%	46.54%	F
	8-May	Moraga SD	A	Parcel	\$225 annual	2/3	64.97%	35.03%	F
El Dorado	5-Jun	Pollock Pines ESD	K	Bond	\$9,000,000	55%	61.87%	38.13%	P
	5-Jun	Sierra USD	O	Bond	\$5,400,000	55%	51.26%	48.74%	F
Fresno	5-Jun	Clovis USD	A	Bond	\$298,000,000	55%	64.66%	35.34%	P
	5-Jun	Trinidad SD	W	Bond	\$2,200,000	55%	80.46%	19.52%	P
Humboldt	5-Jun	Southern Trinity	V	Bond	\$2,300,000	55%	61.54%	38.46%	P
	5-Jun	Taft City School District	C	Bond	\$23,600,000	55%	55.44%	44.56%	P
Kern	5-Jun	Norris School District	B	Bond	\$149,000,000	55%	54.24%	45.76%	F
	5-Jun	Corcoran	V	Bond	\$9,000,000	55%	42.47%	57.53%	F
Kings	5-Jun	Reef Sunset	A	Bond	\$10,830,000	55%	82.72%	17.28%	P
	13-Mar	Arcadia USD	A	Parcel	\$228 annually for 5 years	2/3	67.61%	32.39%	P
Los Angeles	5-Jun	Charter Oak USD	CO	Bond	\$47,000,000	55%	62.46%	37.54%	P
	5-Jun	Sulphur Springs UN SD	CK	Bond	\$72,000,000	55%	58.53%	41.47%	P
Marin	5-Jun	Ross Valley SD	A	Parcel	\$149 for 8 years	2/3	72.99%	27.01%	P
	5-Jun	Brea Olinda School District	E	Bond	\$54,000,000	55%	48.20%	51.80%	F
Orange	5-Jun	Savanna Elementary School District	G	Bond	\$28,750,000	55%	58.50%	41.50%	P
	5-Jun	Val Verde USD	L	Bond	\$178,000,000	55%	61.75%	38.25%	P
Riverside	5-Jun	Jurupa USD	M	Bond	\$125,000,000	55%	51.67%	48.33%	F
	5-Jun	Mountain Empire USD	G	Bond	\$30,800,000	55%	54.05%	45.95%	F
San Diego	5-Jun	Alpine Un SD	H	Bond	\$11,995,000	55%	43.33%	56.67%	F

Coalition for Adequate School Housing (C.A.S.H.)
 List as of June 7, 2012
 Please contact Aileen Dalen at adalen@m-w-h.com or (916) 448-8577 with changes to, or questions about, this list.

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June 5, 2012 Local School Bond and Parcel Tax Measures

San Joaquin	5-Jun Lincoln USD	A	Bond	\$48,500,000	55%	59.14%	40.86%	P
San Mateo	5-Jun Redwood City ESD	W	Parcel	\$67 annually for 5 years	2/3	69.00%	31.01%	P
	5-Jun Jefferson Un HSD	Y	Parcel	\$48 annually for 4 years	2/3	67.22%	32.78%	P
	5-Jun Cabrillo USD	S	Bond	\$81,000,000	55%	55.28%	44.72%	P
Santa Barbara	5-Jun Santa Barbara ESD	X2012	Parcel	\$54 for 4 years	2/3	65.01%	34.99%	F
	5-Jun Santa Barbara USD	W2012	Parcel	\$54 for 4 years	2/3	64.34%	35.66%	F
	5-Jun Buellton Un SD	V2012	Bond	\$3,200,000	55%	55.30%	44.78%	P
Santa Clara	8-May Santa Clara USD	A	Parcel	\$84 annually for 5 years	2/3	72.92%	27.08%	P
	8-May Saratoga Un SD	B	Parcel	\$68 annually for 8 years	2/3	69.64%	30.36%	P
	5-Jun Milpitas USD	E	Bond	\$95,000,000	55%	64.38%	35.62%	P
	5-Jun West Valley Mission Community College District	C	Bond	\$350,000,000	55%	59.18%	40.82%	P
	5-Jun Mountain View-Whisman SD	G	Bond	\$198,000,000	55%	66.64%	33.36%	P
	5-Jun Cupertino Un SD	H	Bond	\$220,000,000	55%	65.96%	34.04%	P
Santa Cruz	5-Jun Santa Cruz City High School District	I	Parcel T:	\$38 annually for 8 years	2/3	78.95%	21.05%	P
	5-Jun Santa Cruz City Elementary School District	J	Parcel T:	\$85 per year for 8 years	2/3	81.19%	18.81%	P
	5-Jun Scotts Valley Unified School District	K	Parcel T:	\$48 for 3 years	2/3	76.00%	24.00%	P
	5-Jun West Valley Mission Community College District	C	Bond	\$350,000,000	55%	58.43%	41.57%	P
Sonoma	5-Jun Cotati-Rohnert Park USD	D	Parcel	\$89 annually	2/3	66.90%	33.10%	P
	5-Jun Healdsburg USD	E	Bond	\$35,000,000	55%	60.20%	39.80%	P
	5-Jun Guerneville SD	F	Bond	\$6,000,000	55%	63.20%	36.80%	P
	5-Jun Old Adobe Un SD	G	Bond	\$26,000,000	55%	56.10%	43.90%	P
	5-Jun Sebastopol Un SD	H	Bond	\$9,000,000	55%	69.00%	31.00%	P
	5-Jun Wright SD	I	Bond	\$14,000,000	55%	61.00%	39.00%	P
Trinity	5-Jun Southern Trinity It USD	V	Bond	\$2,300,000	55%	56.16%	43.84%	P

Coalition for Adequate School Housing (C.A.S.H.)
 List as of June 7, 2012

Please contact Aileen Dalen at adalen@m-w-h.com or (916) 448-8577 with changes to, or questions about, this list.