



# ACCM Insider

## ACCM Opposing Senate Bill 258

Ed Mireau, of Neff Construction and an ACCM Board Member, testified in opposition to Senate Bill 258 (Oropeza), a bill that would require almost all school construction projects to use bidder pre-qualification. The bill was heard by the Assembly Business Professions and Consumer Protection Committee on June 29 and passed on a straight party-line vote (All yes votes were from Democrats and all no votes were from Republicans). Only ACCM and the Coalition for Adequate School Housing (C.A.S.H.) testified in op-

position. Various representatives of organized labor testified in support as did the Association of General Contractors (AGC).

SB 258 applies only to school facilities and applies to all school projects greater than \$1 million. If enacted, the bill would require that all bidders be pre-qualified with a pre-qualification document substantially consistent with the Department of Industrial Relation's (DIR) prequalification template. This is a 40-page template. The bill's effect would be

to restrict potential bidders, increase pre-qualification challenges, delay project starts and increase school district construction costs.

The bill was heard by the Assembly Appropriations Committee on August 4 and placed on Suspense.

If you or your firm wants to join in opposing this bill, please go to [www.ACCM.com](http://www.ACCM.com) to find a draft letter and the addresses of where to send the letter.

## New School Bond

Assembly Bill 220 (Brownley) has been amended to be a State School Bond for the November election. The proposal currently contains \$6.1 billion for Kindergarten through University projects. K-12 would be allocated \$4.6 billion. The K-12 funds would be allocated as \$2 billion for new construction, \$1 billion for modernization, \$250 million for charter schools, \$250 million for career technical education facilities, \$500 million for high-performance and energy efficiency, \$50 million

for pre-school facilities, \$50 million for joint-use facilities.

The bill passed the Senate Education Committee on a party line vote and still has to pass the Senate Appropriations Committee, the full Senate, the full Assembly and be signed by the Governor prior to going before the voters on the November Ballot. Finally, the bill requires a 2/3 vote in the full Senate and the full Assembly which means it will require Republican votes.

With the Legislature on break until August 2 and a practical date of late August for enactment if it is to be on the November ballot, the school bond proposal has a difficult, but not impossible journey.

The most recent polling by the Coalition for Adequate School Housing (C.A.S.H.) indicates that with a strong campaign the bond can pass if it is placed on the November ballot.

### 2010 ACCM Annual Conference

*When: October 11, 2010*

*Where: Westin South Coast Plaza, Costa Mesa*

*See Page 5 for Agenda and Registration Materials!*

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# Department of Industrial Relations Regulations

The Department of Industrial Relations (DIR) has released their new regulations for operating Labor Compliance Programs. The regulations are effective August 1, 2010. At their August 4 meeting, the State Allocation Board considered regulations to incorporate school facility projects and DIR funding from those projects into the SAB's apportionment process.

The DIR regulations pose as many questions as they answer. ACCM and many school facility organizations proposed changes to the regulations, but DIR generally did not accept the proposed modifications. To read

or download the regulations please go to: <http://www.dir.ca.gov/LaborComplianceRegulations/LCP-SBX2-9.htm>.

ACCM will include a workshop on the regulations during the October 11, 2010 Annual Conference. For more information on the Annual Conference agenda and registration please go to [www.ACCM.com](http://www.ACCM.com) or use the registration form on the last page in this issue of the ACCM Insider.

## ACCM Calendar

### August 2010

19 General Membership Call-1 p.m.

### September 2010

2 Officers' Conference Call-4 p.m.

16 General Membership Call-1 p.m.

### October 2010

7 Officers' Conference Call-4 p.m.

11 ACCM Annual Conference  
Westin South Coast Plaza, Costa Mesa

### November 2010

4 Officers' Conference Call-4 p.m.

18 General Membership Call-1 p.m.

### December 2010

2 Officers' Conference Call-4 p.m.

16 General Membership Call-1 p.m.

\*\*Meeting dates and times subject to change.\*\*



## Construction Cost Index

The Association of California Construction Managers (ACCM) have asked the State Allocation Board (SAB) to adopt the Lee Saylor Index (LSI) for the 2011 Construction Cost Index (CCI) calculation.

The current indices used by the SAB include projects that are not prevailing wage projects. Because school projects are prevailing wage projects, the use of indices that are not solely prevailing wage artificially lowers the CCI.

The LSI, on the other hand, is comprised of labor and materials cost data only public works

projects subject to prevailing wage. The LSI also includes for subcontractor in-place costs which affect construction costs.

The LSI was used under the Lease-Purchase Program, and continues to be used by the Office of Public School Construction (OPSC) for project costs included in the School Facility Program.

For this reason, ACCM believes the SAB should adopt the LSI as the appropriate index to judge school district construction cost increases.



# ACCM Working For Increased School Facility Funding

While a new school bond is a major need to keep the school facility funding pipeline open and flowing, the grant amounts and selling the currently authorized bonds continue to be ACCM priorities. We have continued our work pulling together labor, builders and school representatives to pressure the State Treasurer and the Department of Finance to sell school bonds and fund projects. Every \$1 billion in school facility projects creates 14,000 to 16,000 new construction and construction related jobs.

On July 28, ACCM convened a meeting of stakeholders to coordinate efforts for the next school bond sale. We are proposing a \$1.6 billion dollar sale and a continuation of the current construction incentive program by the State Allocation Board (SAB).

We need all ACCM members to write to the Director of Finance, Ana Matosantos, and the State Treasurer, Bill Lockyer, and let them know the number of construction projects your firm or your school districts could start if the state sells \$1.6 billion for school bonds in the next sale.

Please also write to all SAB members to urge them to direct the Office of Public School Construction (OPSC) to bring to the SAB by October all school projects that have been submitted to OPSC by July 1, 2010.

The messages are simple. School construction will create jobs. We need construction jobs. The voters

passed school bonds to build and repair schools. The bonds need to be sold to meet the voters will and to create jobs. OPSC needs to help as many projects as possible to be eligible for funding to create jobs.

**July 28 Meeting Summary:** Dave Walrath welcomed everyone in the group and discussed the background and purpose of the meeting. The meeting purpose is to keep money flowing for California school construction and create jobs. The task is: How do we do it?

Walrath and attendees discussed Assembly Bill 220 (Brownley). The bill was heard by the Senate Appropriations Committee on August 2. and placed on the committees suspense file. The group discussed advocating for lease-revenue bonds as an alternative if there is no school bond on the ballot. A lease-revenue bond only requires a majority vote to authorize. The group talked about the bond selling timeline and the projection of apportionments. Walrath gave some background on the idea of a lease-revenue bond and some actions the Department of Finance has proposed that would make a lease-revenue bond possible.

The budget is the main focus at the Capitol and there seems to be no budget plan set in motion. There is no clear answer on bonds because there is no clear answer on the budget. The group then had open discussion regarding the August State Allocation Board meeting and the bond money burn-rate charts. All agreed to urge continuation of the incentive plan

and put as much money as possible under contract. The ACCM proposal was used as a template for action.

Walrath encouraged the meeting attendees to discuss all options and opinions with others in the industry. The focus is to keep the money flowing and create jobs in California. The group agreed to follow-up with a meeting on August 11, 2010 at 3:00 p.m.

## ACCM Officers

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## Cowan's Corner

# DSA & DWR News

by Dick Cowan, Davis Reed



**DSA NEWS:** In the last few months, almost all DSA Regional and Headquarters staff jumped in to reduce bin time from 12 weeks in February to currently four weeks. As a result, many DSA improvement initiatives made slower progress than planned. In spite of that, DSA has requested permission to staff a Certification Unit to work on the 12,000 projects that were closed without certification. About 640 modernization projects are awaiting certification of a nearby or connected project as a condition of approval.

DSA submitted an emergency regulation package to the Building Standards Commission on July 30 to simplify the Closeout and Certification process. ACCM will watch the regulations and comment on them. Some possible changes include: Project inspectors keep a DSA file of all documents to be turned over to DSA at project completion; a Construction Change Directive process to not hold up construction; “substantial compliance” as a standard for attainment of plans and specifications; and school districts being allowed to take written risk of doing a project “on top of” a non-certified project.

DSA is authoring a “Cost Neutral” handbook as a companion to their very handy Grid Neutral handbook, dealing with Power Purchase Agreement opportunities and other ways for districts to fund energy initiatives. DSA and sister agencies OPSC and CEE are also working

on combined process improvement of approving and funding school projects—their recommendations are due to the State Allocation Board on September 29. ACCM is asking to have a seat on the working group for this effort.

Kathy Hicks, Chief Deputy Director at DSA has formed a Metrics Group to make the processes at DSA measured and transparent. The statewide field engineer team is working on the relationship of the project inspector and the architect of record on design-build projects.

**DWR NEWS:** Some rather startling flood protection requirements for many of California’s school districts in the Central Valley are about to pour over the dikes.

Senate Bill 5 directed the Department of Water Resources (DWR) to adopt regulations aimed at providing additional protection for school children whose school sites are predicted to have 3 feet of water from a 200-year flood event.

Citing concerns that school buildings are exempt from NFIP flood standards which apply to private buildings, and are often anticipated to be shelters in case of flooding events, and showing that \$16 million of federal funds have been given to schools to repair flood damage since 1992, the DWR staff may propose additional flood protection measures, possible evacuation planning requirements such as flood drills, and Building Code requirements to increase surviv-

ability and minimize damage of school buildings from flood events.

But the chief threat identified is the possibility of entrapment of school children caused by lack of access to a safe place to wait out the flood event until rescue. DWR is considering requiring that there be such a safe waiting space. Second floor spaces able to accommodate the student population could satisfy the requirement. Roofs accessible by ADA approved access, and ADA compliant once students arrive there could satisfy this requirement. Or “super decks or balconies” high enough and large enough and accessible could also satisfy this proposed requirement. The space requirement would be 7 square feet per student. Handrails, guardrails, signage, and handicap operable roof hatches might be among the required details.

When DWR presented the concepts to school facility directors, architects, and construction managers in a recent Yolo County meeting, the reaction was not favorable. One school official said, when it rains for many days in a row, we cancel school if flooding risk increases. Others chimed in with ideas such as a mound in the middle of the campus where playfields could be located, or a river barge that would float with the flood and serve as tennis courts, too.

For more information, visit <http://www.water.ca.gov/floodsafe>.

# 2010 ACCM ANNUAL CONFERENCE

## A.M. SESSION

## P.M. SESSION

<b>Registration:</b> 8:30 a.m. - 9:00 a.m.
<b>Program:</b> 9:00 a.m. - 12:00 p.m.

<b>Registration:</b> 12:30 p.m. - 12:45 p.m.
<b>Program:</b> 12:45 p.m. - 4:00 p.m.

8:30 a.m.	Registration	12:30 p.m.	Registration
9:00 a.m.	Welcome & Introductions	12:45 p.m.	Welcome & Introductions
9:15 a.m.	Facility Financing-Trends in Financing	1:00 p.m.	Pre-Qualification Requirements for School Projects
10:00 a.m.	Legal Issues for CMs	1:45 p.m.	New Legislation Affecting School Operations & Facilities
10:30 a.m.	DSA & OPSC Directions	2:30 p.m.	Break
11:00 a.m.	School Bonds & Demographics	2:45 p.m.	What's New for Alternative Delivery Methods
11:30 a.m.	ACCM Issues-General Discussion	3:45 p.m.	Federal Funds for School Facilities
12:00 p.m.	Lunch	4:00 p.m.	Adjourn

### REGISTRATION FORM

#### CONTACT INFORMATION

Name (as you would like it to appear on your name tag) \_\_\_\_\_

Entity \_\_\_\_\_

Address \_\_\_\_\_

City/State/Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ Email Address \_\_\_\_\_

Credit Card:  American Express  VISA  MasterCard CC Security # \_\_\_\_\_

Acct. # \_\_\_\_\_ Exp. Date \_\_\_\_\_ Signature \_\_\_\_\_

PRINT name of cardholder \_\_\_\_\_

Please send a credit card receipt to the email address listed above.

Check # \_\_\_\_\_ P.O. # \_\_\_\_\_

**Registration Fees**  
(include all meals, refreshments, and handouts):

<b>A.M. &amp; P.M. Sessions</b>	
Member:	\$175
Non-Member:	\$225
<b>P.M. Session Only</b>	
Member:	\$125
Non-Member:	\$225
School Districts & County Offices of Edu.:	\$95

**Registration Cancellation Policy:**  
Cancellations **must be** received in writing. Fax to (916) 441-3893 or email to: mpoulos@m-w-h.com.

On or Prior to 9/10/10.....Full Refund  
9/11/10 - 9/15/10.....\$75 Charge  
After 9/15/10.....No Refund

Return registration form to:  
ACCM Annual Conference • 1130 K Street, Suite 210 • Sacramento, CA 95814  
(916) 441-3300 tel • (916) 441-3893 fax