School Financial Services
Commercial Claims Documentation
And Checklist Guide
MISSION STATEMENT

Commercial Claims Unit on behalf of the county superintendent provides excellent services in examining expenditures by local educational agencies under its jurisdiction to ensure authority and legality as mandated by California Education Code 42636/8523.

COMMERCIAL CLAIMS UNIT
CONTACT INFORMATION

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SchoolFinancialServices/CommercialClaims.aspx

REFER TO COMMERCIAL CLAIMS WEBSITE FOR YOUR DISTRICT CONTACT STAFF
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<td>Other Transfers Out</td>
<td>48</td>
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INTRODUCTION

OVERVIEW

The county superintendent of schools is required by California Education Code 42636/85235 to examine expenditures of local educational agencies under its jurisdiction to ensure authority and legality of expenditures. The Commercial Claims Unit (CCU), School Financial Services (SFS), Los Angeles County Office of Education (LACOE), carries out this function. CCU reviews and approves district commercial payments.

The County Office uses the PeopleSoft Financial System (PSFS) for the review and approval of these expenditures. It is the source of all information concerning the status of vouchers and commercial payments. Please contact PSFS security team at sfssecurity@lacoe.edu if you need access to PSFS.

PURPOSE OF THIS MANUAL

This manual is to assist the district staff in proper disbursement of vendor payments and support compliance with education, government and public contract codes and other regulations governing public fund contracting and expenditures.

The district is required to refer to this document when sending supporting documentation to CCU. It is recommended that a copy be distributed to Purchasing, Facilities and Accounts Payable staff.

The ultimate responsibility to the taxpayer in ensuring that funds are properly safeguarded and expended lies with the district. It is important the district has an effective system of internal control. The county’s review function should not be substituted for the district’s own system of checks and balances.

Please review the manual carefully. Your suggestions for additions or improvements are welcome and should be submitted to SFSSystemsandDistrictSupport@lacoe.edu. LACOE encourages changes which save time, eliminate unnecessary work or duplication of work and/or improve processing procedures, as long as such recommended changes meet all legal requirements.

Codes are listed by name and number for reference and are not quoted in full. For a comprehensive understanding, please refer to a particular code’s complete text which can be found at http://leginfo.legislature.ca.gov/faces/codes.xhtml.

FOR QUESTIONS REGARDING THE PROCESSING OF VENDOR PAYMENTS, CONTACT YOUR CCU REPRESENTATIVE. REFER TO OUR WEBSITE FOR THE CONTACT LIST.

ABBREVIATIONS

EC Education Code
PCC Public Contract Code
LC Labor Code
GC Government Code
CC Civil Code
**VOUCHER REVIEW PROCESS**

**DISTRICT ROLE IN APPROVAL PROCESS**

District enters and approves vouchers in PSFS based on a district’s particular policies and procedures. Interface districts use their own financial system to enter and approve vouchers. Vouchers are interfaced to PSFS for approval. District approvers are required to review required backup documentations and ensure they are complete before approving vouchers in PSFS. This will expedite the approval of the voucher when routed to CCU.

**PRE-AUDIT VOUCHER PROCESS FLOW**

![Voucher Review Process Flow Diagram]

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*Global Vendor*
Vendor exempted from SFS amount held when payment is made for Fringe Benefits, Utilities and Wastewater

*Fringe Benefits*
- 7560-7570, 9223-9549 All funds
- Utilities - 9500, 9506, 9599 - All funds
- Wastewater - 9511, 9539 Fund 76.0 only
- Employee Benefits - 9500-9539 Fund 87.0 only

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*Project Codes*
- Fringe Benefits - 7560-7570, 9223-9549 All funds
- Utilities - 9500, 9506, 9599 - All funds
- Wastewater - 9511, 9539 Fund 76.0 only
- Employee Benefits - 9500-9539 Fund 87.0 only
PAYCYCLE PROCESS

All vouchers approved at the district level do not automatically generate a warrant or become subject to review by the County Office.

When the Paycycle process runs, items that meet the Audit Criteria; Audit or Amount Hold are flagged and warrants are generated for the rest of the approved vouchers in PSFS. If one of the audit criteria is met, the vouchers will be in suspense until supporting documentation is reviewed and approved by CCU. Each district is assigned a CCU Representative to review vouchers in suspense.

The Paycycle runs nightly. In addition to the nightly batch process, the Audit Hold process also runs at 12:30 pm daily. Vouchers entered before 12:30 pm which are subject to Audit Hold will be routed to SFS for review after this process runs. These vouchers are visible in the approval panel for CCU review.

For more information on Paycycle, please refer to the LACOE Accounts Payable Manual.

AUDIT CRITERIA

AUDIT HOLD (AUD) – This occurs when a specific expenditure is held because of the type of expenditure identified by the Object Code. Payments for contracts that cannot be completed in one year or are subject for verification of compliance with applicable codes are generally auditable regardless of amount. The following expenses are subject to audit:

- Leases and Rentals
- Construction
- Consultants
- Legal
- Accrued Expenses
- Settlement Agreements
- Payroll related accounts

Exhibit 1 & 2 shows the general audit code profile for K-12 and Community College districts.

AMOUNT HOLD (AMT) – These are vouchers held because the total amount payable to the same vendor exceeds the district dollar threshold. The purpose of the amount hold is to review items to ensure that projects are not split into several vouchers in order to circumvent competitive bidding and bond requirements.
GLOBAL VENDOR EXEMPT FROM AUDIT HOLD OR AMOUNT HOLD – Certain types of payments such as utility bills to Edison, The Gas Company etc., payroll withholdings and fringe benefits expenditures have been streamlined to allow efficient payment. The district can request these vendors to be classified as Global Vendors to exempt the vouchers from being held for Audit or Amount Hold.

Designation of a vendor as global/exempt is limited to payments of the following Fund/Object combinations:

<table>
<thead>
<tr>
<th>Description</th>
<th>Fund Types</th>
<th>Object Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fringe Benefits</td>
<td>All Funds</td>
<td>3400-3499/3700-3799</td>
</tr>
<tr>
<td>Fringe Benefits Offsetting Accounts</td>
<td>All Funds</td>
<td>9525-9589</td>
</tr>
<tr>
<td>Utilities</td>
<td>All Funds</td>
<td>5500-5539/5550-5599/5900-5999</td>
</tr>
<tr>
<td>Employee Benefits (Self Insurance Funds)</td>
<td>67x</td>
<td>5800-5899</td>
</tr>
<tr>
<td>Associated Student Trust Fund</td>
<td>71x</td>
<td>5800-5899</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>74.0</td>
<td>7530/7531/7550</td>
</tr>
<tr>
<td>Withhold/Payroll Liabilities</td>
<td>76.0</td>
<td>9511-9518</td>
</tr>
</tbody>
</table>

Procedures and other information regarding Global Vendor set up can be found in LACOE Bulletin 4291 issued on January 28, 2016. Additional information regarding Global Vendor set up can also be found in the LACOE Accounts Payable Manual.

SUSPENSE REGISTER

The Suspense Register is a daily report generated from PSFS to show the:

- Voucher status and reason why warrant was not printed
- Vouchers held for audit or amount hold
- Vouchers approved at the district level, but warrants were not printed

The Suspense Register Report, LACSUREG can be downloaded from Reports and Data (RAD). Contact sfssecurity@lacoe.edu if you require access to RAD. See sample below.
**Description**

<table>
<thead>
<tr>
<th>AD</th>
<th>Approved at district level.</th>
</tr>
</thead>
<tbody>
<tr>
<td>DD</td>
<td>Denied at district level.</td>
</tr>
<tr>
<td></td>
<td>The district needs to delete this voucher.</td>
</tr>
<tr>
<td>PD</td>
<td>Pending district level approval. District needs to approve voucher</td>
</tr>
<tr>
<td>OH</td>
<td>Payment manually placed on hold.</td>
</tr>
<tr>
<td></td>
<td>The system will not issue the warrant till the hold has been removed.</td>
</tr>
<tr>
<td>PS</td>
<td>The system has detected an error and advises the user to call SFS Accounts Payable</td>
</tr>
</tbody>
</table>

**Description**

<table>
<thead>
<tr>
<th>AUD</th>
<th>On hold due to audit code.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>District to send *required documentation to their Commercial Claims Representative at SFS.</td>
</tr>
<tr>
<td>AMT</td>
<td>On hold due to amount. District to send *required documentation to their Commercial Claims Representative at SFS.</td>
</tr>
<tr>
<td>DEN</td>
<td>Denied by SFS. Voucher will be deleted by the SFS Commercial Claims Section.</td>
</tr>
<tr>
<td>APRV</td>
<td>Approved by SFS. A warrant will be issued in the next Paycycle run.</td>
</tr>
</tbody>
</table>

*Refer to the type of expense or object code in this manual for the checklist of required documentation.
LACOE VOUCHER APPROVAL STATUS/VOUCHER SUMMARY

In lieu of the Suspense Register, you can view in real time the list of pending vouchers on the LACOE Voucher Approval Status panel. The navigation is:

- **Go** ➔ Administer Procurement ➔ Enter Voucher Information
- **Inquire** ➔ LACOE Approval (District Date) ➔ Audit Code or Amount Hold

You can verify the status of your voucher in PSFS by going to the Voucher Summary panel shown below.

- **Go** ➔ Administer Procurement ➔ Voucher Information
- **Use** ➔ Voucher ➔ Voucher Summary
**Voucher Processing Time**

Vouchers are processed in the order approved by the district in PSFS and complete required documentation received. Please ensure to submit all required backup documents in a timely manner to expedite the processing of vouchers. Include your contact information on the documents submitted. If there are missing documents, CCU will contact you.

**Please anticipate your needs by allowing time for Paycycle processing and processing time for your voucher to be approved.**
BACKUP DOCUMENTATION REQUIREMENTS

[EC 42635/85235]

FORMAT FOR BACKUP DOCUMENTATION

For vouchers held for audit or amount hold, district is required to email backup documents or attach documents in PeopleSoft. If sending documents by email, complete the Electronic Voucher Request Claim (EVRC) form and send with the required backup documents. This is the naming convention for backup documents: **BU #_Voucher #_Vendor Name_PO/Contract #.** You can download the form from our website by clicking [Electronic Voucher Request Form](#) or contact CCU. If using the document attachment feature in PSFS, ensure the contact information is entered in the comments so CCU can contact you for questions. You can refer to Bulletin 4268 issued on January 11, 2016 on our website on how to use the Electronic Voucher Request Claim form or Bulletin 4192 issued on September 18, 2015 for PeopleSoft voucher attachment.

AUTHORIZED SIGNATURES

[EC 42632/85232,42633/85233]

Expenditure must be authorized by a person that was approved by the governing board as shown on the Certification of Signatures required to be filed annually by the district. District on-line approvers of voucher requests should be on the current Certification of Signatures on file at the County office.

When changes in signature authorizations occur before the expiration of the annual Resolution, the district must submit a new Resolution. The new Resolution will rescind all previous signature Resolutions. The Resolution signed by the Clerk of the Board, accompanied by Board minutes will suffice.

When the change in signature authorization occur, the approving rights given to the exiting personnel should be deactivated. A PeopleSoft Operator Security form (which can be obtained from our website) should be completed and submitted to the PeopleSoft Security Unit to request deactivation of the approving rights. Please submit form to PeopleSoft Security Unit at [SFSSecurity@lacoe.edu](mailto:SFSSecurity@lacoe.edu).

Delegation of Power

[EC17604] Wherever in this code the power to contract is invested in the governing board of the school district or any member thereof, the power may by a majority vote of the board be delegated to its district superintendent, or to any persons that he or she may designate, or if there be no district superintendent then to any other officer or employee of the district that the board may designate. The delegation of power may be limited as to time, money or subject matter or may be a blanket authorization in advance of its exercise, all as the governing board may direct. However, no contract made pursuant to the delegation and authorization shall be valid or constitute an enforceable obligation against the district unless and until the same shall have been approved or ratified by the governing board, the approval or ratification to be evidenced by a motion of the board duly passed and adopted.
A signature on an expired Certification of Signatures Resolution will not be honored for purposes of approving voucher requests. If the resolution expires before the scheduled organizational meeting, submit a letter requesting an extension to honor the signatures until a new Resolution is approved within thirty (30) days after the expiration date. Refer to Bulletin 4491 issued on November 9, 2016 on Annual Certification of Signature Resolution.

**BOARD APPROVAL OR BOARD ACTION**

Education Code EC35163 states that “Every official action taken by the governing board of every school district shall be affirmed by a formal vote of the members of the board, and the governing board of every school district shall keep minutes of its meetings, and shall maintain a journal of its proceedings in which shall be recorded every official act taken.”

**When Board Approval is requested, proof that the meeting took place and the action was affirmed by a formal vote is required.** This can be in the form of a copy of the minutes showing the vote or an actual Board Approval form signed by the secretary of the board. The governing board may also adopt a rule delegating to any officer or employee of the district the authority to purchase supplies, materials, equipment or services. This should be specifically indicated on the Certification of signatures on file for that district.

All transactions entered into by delegation shall be reviewed and ratified by the governing board every 60 days. [EC17605, EC35250, EC35024 and EC17604]

**GENERAL INFORMATION ABOUT INVOICES**

[EC 42634] states that each order for products and services shall be accompanied by an itemized invoice showing the separate items and the price of each.

Where it is impractical to secure an itemized invoice, a summarized billing is acceptable. Invoices must be legible and at minimum include the following:

- Name and address of company or person submitting invoice
- Name of district
- Date of invoice
- Purchase Order number (if applicable)
- Special terms, such as discounts
- Description of each item
- Quantity
- Unit price, extended price for each item
- Hours and rates for labor charges
- Freight charges (if applicable)
- Subtotals of amounts subject to sales tax
- Amount of sales tax (if applicable)
• Total amount of invoice

To assist district in taking advantage of cash discounts, district needs to indicate this on the EVRC form submitted so the processing of the voucher can be expedited.

**CONSTRUCTION/PUBLIC WORKS PROCESS**

The following contracts are subject to competitive bidding:

- Purchase of equipment, materials, or supplies to be furnished, sold or leased to the district that are over the current bid threshold set by the State Superintendent of Public Instruction (SSPI) annually
- Services/Construction/public projects
- Repairs over bid threshold. Please see PCC section 20115, and definition of maintenance projects in PCC section 22002(c)

**Construction** includes: new construction, demolition, reconstruction, site improvement and building improvements.

**Site improvements** include: parking lot additions, ramp additions, drainage, sewerage and other utilities, walks and drives, landscaping and fencing.

**Building improvements** include: structural changes, installation and upgrade of heating and cooling system, window or door frames, wall or ceiling coverings, or communication equipment, and conversion of a room to a classroom space.

Please refer to PCC Section 22002 for public project definition and PCC Section 20115 for maintenance definition. The table below summarizes the differences. Knowing the difference will help you know what section to refer to for the backup documents required when you have a construction project expense.

<table>
<thead>
<tr>
<th>-public works</th>
<th>maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>Routine</td>
</tr>
<tr>
<td>Re-construction</td>
<td>Re-occurring/Scheduled</td>
</tr>
<tr>
<td>Improvement</td>
<td>Preventative</td>
</tr>
<tr>
<td>Demolition</td>
<td>Re-surfacing less than 1-inch</td>
</tr>
<tr>
<td>Repair</td>
<td>Landscape Maintenance</td>
</tr>
<tr>
<td>Renovation</td>
<td>(moving, watering, trimming, planting, service irrigation)</td>
</tr>
<tr>
<td>Painting</td>
<td>Minor Painting</td>
</tr>
</tbody>
</table>
FORMAL BID DOCUMENTATION REQUIREMENTS

Formal bidding is required for expenditures of more than $15,000 for public projects and construction services, or more than the bid threshold adjusted every year for materials, equipment, or supplies as well as repairs and maintenance. [PCC 20111]/[ PCC 20651]

The legal requirements of obtaining bids must also be observed for the purchase of materials such as diesel fuel, propane, oil or gasoline.

Submit the following documents to the Commercial Claims Unit when formal bidding is required.

**DOCUMENTS REQUIRED INCLUDE:**

1. Proof of Advertisement for Bid
2. Board action awarding bid
3. Pre-qualification of bidders (For districts with ADA of more than 2,500 with estimated expenditures of $1 million or more and project is state funded)
4. Contract/agreement signed by both parties
5. Bid bond or security
6. Designation of sub-contractors
7. Payment bond (if over $25,000)
8. Performance bond (when contractually called for and usually 100% of the contract amount)
9. General insurance as contractually specified
10. Workers compensation insurance as required by code
11. Escrow Agreement (if retention is deposited to an escrow account)
12. Progress Payment invoice or AIA Application for Payment with appropriate approvals to pay invoice (i.e., district, architect, inspector, and contractor with retention being withheld)
13. Board Acceptance of Completion
14. Recorded Notice of Completion
15. Stop Payment Notice and Release of Stop Payment Notice
16. Change order with board approval as needed
PROOF OF ADVERTISEMENT FOR BID

Notice Calling for Bids
There should be an advertisement calling for bids at least once a week for two weeks in some newspaper of general circulation published in the district, or if there is no such paper then in some newspaper of general circulation, circulated in the county, and may post on the district’s Web site or through an electronic portal.

BOARD ACTION AWARDING THE BID

Board action awarding bid to the lowest responsive bidder needs to be obtained.

PREQUALIFICATION OF BIDDERS

On September 30, 2013, the Governor signed Assembly Bill (AB) 1565, adding Section 20111.6 to the Public Contract Code. Beginning with contracts awarded on or after January 1, 2014, a school district with ADA over 2,500 is required to prequalify bidders for construction if:

1. The contract value is $1,000,000 or more, and
2. The project is funded, in whole or in part, with State bond funds.

Public Contract Code section 20651.5 contains a similar authorization for community college districts but the mandatory requirement does not apply.

School boards must also adopt and apply a uniform system of rating bidders on the basis of the completed questionnaires and financial statements. The questionnaires, financial statements and rating system must cover, at a minimum, all of the issues included in the standardized questionnaire and model guidelines for rating bidders developed by the Department of Industrial Relations (DIR).

[PCC20112] For the purpose of securing bids the governing board of a school district shall publish at least once a week for two weeks in some newspaper of general circulation published in the district, or if there is no such paper then in some newspaper of general circulation, circulated in the county, and may post on the district’s Web site or through an electronic portal, a notice calling for bids, stating the work to be done or materials or supplies to be furnished and the time when and the place and the Web site where bids will be opened. Whether or not bids are opened exactly at the time fixed in the public notice for opening bids, a bid shall not be received after that time. The governing board of the district may accept a bid that was submitted either electronically or on paper.

[PCC20651.5] (a) The governing board of any community college district may require each prospective bidder for a contract, as described under Section 20651, to complete and submit to the district a standardized questionnaire and financial statement in a form specified by the district, including a complete statement of the prospective bidder’s financial ability and experience in performing public works.
If a public project covered by AB 1565 includes electrical, mechanical or plumbing components that will be performed by electrical, mechanical or plumbing contractors, the governing board must prepare a list of its prequalified general contractors and electrical, mechanical and plumbing subcontractors. The list must be available to all bidders at least five business days before the date fixed for public opening of sealed bids.

Governing boards may establish a process for prequalifying prospective bidders subject to AB 1565 on a quarterly or annual basis. A prequalification is valid for one calendar year.

Additionally, AB 1565 contains a “sunset” provision under which it ceases to be effective as of January 1, 2019, unless further legislative action is taken to extend the law.

On September 18, 2014, AB 1581 amended Education Code sections 17406 and 17407 (the lease leaseback statutes) to expressly provide that the mandatory prequalification requirements apply to the lease-leaseback delivery projects.

The Board must approve prequalification questionnaires, evaluation forms and scoring. EDC35161 states that a Board “may delegate to an officer or employee of the district any of [its] powers or duties.” If used for prequalification duties, the delegation should be specific.

When required, submit the following documents to the Commercial Claims Unit:

- Board adoption of the pre-qualification process
- Listing of prequalified general and MEP subcontractors

NOTE: A FORM TO ACKNOWLEDGE NON-USE OF STATE FUNDS (EXHIBIT 3) CAN BE SUBMITTED TO WAIVE THE REQUIREMENT FOR PRE-QUALIFICATION OF BIDDERS.

**Contract/Agreement**

A signed agreement from the vendor for the project should be obtained by the district. Contracts are not legal obligation unless approved or ratified by the governing board. This applies to all contracts, regardless of the dollar amount or time [EDC 17604].
A contract must contain:

1. The date the contract was entered into.
2. The names of the parties to the contract.
3. The description of the work to be done or the services to be provided or materials, supplies and/or equipment to be supplied.
4. The duration of the contract and/or provision for termination or renewal.
5. The total amount obligated by the agreement with due date of obligation or payment.
6. A payment schedule with amounts for multiple payments.
7. The signatures of the authorizing parties.
8. Any other terms and conditions that the parties may require.
9. Where and how the contract is to be completed, if applicable.

Length of Contracts

[EC17596] Continuing contracts for work to be done, services to be performed or for apparatus or equipment to be furnished, sold, built, installed or repaired for the district, or for materials or supplies to be furnished or sold to the district may be made with an accepted vendor as follows: For work or services, or apparatus or equipment, not to exceed five years; for materials or supplies, not to exceed three years.

Bid Bond or Security

A bid bond/security is issued as part of a bidding process by the surety to the project owner. It assures and guarantees that should the bidder be successful, the bidder will execute the contract and provide the required surety bonds. A bidder’s bond made payable to the district shall accompany all bids for construction work under sealed cover. Other forms of bidder’s security such as cash, a cashier’s or certified check are acceptable. The security shall be in an amount equal to at least 10% of the amount of the bid. [PCC 20413]

Designation of Subcontractors

Provide list of subcontractors hired by the general contractor (or prime contractor, or main contractor) to perform a specific task as part of the overall project. If there are no subcontractors, indicate “NONE” on the List of Sub-Contractors form. (Exhibit 4)

Payment Bond

The payment bond guarantees payment to subcontractors by the surety if the contractor defaults on payment; it is required on public works over $25,000.00. The call for bids should state that a payment bond is required. The bond is required to be in place before any payment is made to the contractor and shall be 100% of the total contract amount. [CIV 9550], [CIV 9552]

A change in the contract amount will require an increase in the payment bond amount.
**PERFORMANCE BOND**

A performance bond is not required by code, but highly recommended by the School Legal Services. The recommendation is for a bond covering 100% of the contract amount.

**GENERAL INSURANCE**

Vendor should provide general liability insurance as contractually specified. This protects the district against claims for injury or other damages as a result of the contractor’s work.

**WORKER’S COMPENSATION INSURANCE**

Vendor should provide workers compensation insurance, as required by code. This protects the vendor’s employees while performing the work on the project.

**PROGRESS PAYMENT INVOICE OR AMERICAN INSTITUTE OF ARCHITECT (AIA) APPLICATION FOR PAYMENT**

A vendor should submit a Progress Payment Invoice or AIA Application for Payment with appropriate approvals to pay an invoice (i.e., district, architect, inspector, and contractor) with retention being withheld or payment made to escrow account.

The contractor can use any form to apply for payment as long as it shows the contract amount, change orders, retention, balance to completion, payments to date and schedule of values.

The signatures of Architect, Inspector, Contractor, and District Representative on Application and Certificate for Payment or Pay Application accompanying each progress payment requests are required on works that must comply with the Field Act, EDC 17280 – 17317, and 17295. Refer to Bulletin 4424 for Inspection of Work/Inspector and Architect Requirements on Works of Design, Construction, Alterations, or Additions to any School Buildings per the Field Act Education Codes (EDC) 17280 – 17317 issued on August 16, 2016.
ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION
[PCC 22300]

Whenever contract documents require a retention to be withheld from progress payments, at the request and expense of the contractor, the funds withheld may be deposited to an escrow agent. An Escrow Agreement for Security Deposits in Lieu of Retention signed by the bank and the contractor could be executed and submitted. A statement of balance should accompany each payment request to ensure balance in the escrow is not less than the required retention balance.

DOCUMENTATION FOR ESCROW PAYMENTS INCLUDE:

- Escrow agreement signed by the contractor, district and escrow officer.
- If a vendor is paying into the escrow account, a letter from the escrow officer indicating the fund balance.

Exhibit 5: Escrow Form

RETENTION

Retention of not less than 5% is required on all progress payment over $5,000 until final completion and acceptance of the project. However, at any time after 50% of the work has been completed, if the public agency finds that satisfactory progress is being made, it may make any of the remaining progress payments in full for actual work completed. The release of the retention money requires board acceptance of the project as complete and a recorded Notice of Completion.

[PCC22300] In addition, provision shall be included in the invitation for bid and in the contract document to permit the substitution of securities for any moneys withheld by a public agency. At the request and expense of the contractor, securities equivalent to the amount withheld shall be deposited with the public agency, or with a state or federally chartered bank in this state as the escrow agent, who shall then pay those moneys to the contractor. Upon satisfactory completion of the contract, the securities shall be returned to the contractor. The contractor deposits the funds with the escrow agent. The district shall deposit the retention directly to the escrow account.
Within **60 days** after the date of completion of the work of improvement, the retention withheld by the public entity shall be released unless there is a dispute between the public entity and the original contractor, the public entity may withhold from the final payment an amount not to exceed 150% of the disputed amount.

**In addition, final payment (retention) requires a copy of the Notice of Completion recorded by the County Recorder. CCU will release Retention after 30 days from the County Recorder’s date of completion.**

**PLEASE READ [PCC 7107] CAREFULLY BEFORE THE RELEASE OF RETENTION PAYMENTS.**

**Board Acceptance of Completion and Recorded Notice of Completion**

Completion means **any** of the following:

1. The occupation, beneficial use, and enjoyment of a work improvement, excluding any operation only for testing startup, or commissioning, by the public agency, or its agent, accompanied by cessation of labor on the work of improvement;

2. Acceptance by the public agency, or its agent, of the work of improvement;

3. A cessation of labor on the work of improvement for a continuous period of 100 days or more due to factors beyond the control of the contractor;

4. A cessation of labor on the work of improvement for a continuous period of 30 days or more, if the public agency files for record a notice of cessation or a notice of completion.

A **Notice of Completion** is a written notice verified and signed by the owner or his or her agent. It contains the date of completion, the name and address of the owner, the street address of the site (or school name), work done, and the name of the contractor. It notifies concerned parties that all work on the project has been completed. It also sets the period within which concerned parties may exercise their lien rights against one another. The Notice of Completion (Civic Code 9204) shall be:

1. Recorded on or within 15 days after the date of completion of a work of improvement
2. Shall be signed and verified by the public agency or its agent
3. Shall comply with the requirements of Chapter 2 (commencing with Section 8100) of Title 1; and
4. Shall also include the date of completion. An erroneous statement of the date of completion does not affect the effectiveness of the notice if the true date of completion is 15 days or less before the date of recordation of the notice.

When a Notice of Completion is recorded, the deadline for subcontractors and supplies to record a mechanics lien or file a stop payment notice is 30 days after the recordation. If no Notice of Completion is recorded, a contractor, subcontractor, or supplier will have from 90 to 150 days to record a mechanics lien or file a stop payment notice to secure payment for their services on the project.

THE IMPORTANCE OF A NOTICE OF COMPLETION: Although the recording of a Notice of Completion is not absolutely required on any given project, it is very important on a construction project. Where a valid Notice of Completion is recorded as stated above, a contractor, subcontractor or supplier under most circumstances must record a mechanics lien or file a stop payment notice within only thirty days thereafter, they don’t have a longer period to do this which is this case where there is no valid Notice of Completion recorded. Under the same circumstances, a prime contractor has only sixty days after the recording of a valid Notice of Completion to record a mechanics’ lien. Failure to meet these deadlines often results in loss of the right to a mechanics lien or stop payment notice.

Through the proper use of a valid “Notice of Completion” districts can protect themselves by accelerating the date for filing of mechanics liens and stop payment notices.

STOP PAYMENT NOTICE AND RELEASE OF STOP PAYMENT NOTICE

STOP PAYMENT NOTICE is a notice to withhold funds, sent to the agency that is providing the construction funds for a project. The purpose of the Stop Payment Notice is to provide the financier of the construction project notice that there is money owed to a contractor, subcontractor or supplier so that an inquiry can be made as to why that money is not being paid. Once the agency receives the Stop Payment Notice, that agency has notice that is should withhold sufficient money to satisfy the stop payment notice claim. The funds to be withheld from the progress payment to a contractor shall be equivalent to the amount of the Stop Payment Notice plus 25% or 50% in the case of wages.

RELEASE OF STOP PAYMENT NOTICE. In order to release the funds withheld due to Stop Payment Notice received,

- the claimant contractor issues a Release of Stop Payment Notice; or
- Contractor posts a surety bond executed by an admitted surety insurer, (separate from the Payment Bond) equivalent to the amount required to be withheld (125% of the claim stated or 150% if claim is for unpaid wages)
• Contractor files an affidavit for summary release and the claimant fails to file a counter-affidavit within the time specified by the entity.
• Court process.

**CHANGE ORDERS**

[PC 20118.4, PC 20659]

**CHANGE ORDER** is a deductive or additive change in the original scope of work on a contract. Each change order must have:

1. **Board action** approving the change order with the change order number or identification number clearly in the board’s action.
2. Change orders must be in writing and must be signed by all parties to the original contract.
3. **Amounts of the change orders are cumulative and must not exceed ten percent [10%] or of the original contract amount or amount specified in PC 20111 or 20114**
   - (For school districts having an average daily attendance of 400,000 or more, must not exceed 25% of the original contract amount)
4. The change order will have to be competitively bid if the amount exceeds the higher of the applicable bid limit or 10% or 25% of the original contract amount.

**EXPENDITURES EXCEEDING BID LIMITS**

For expenditures exceeding bid limits, refer to the formal bidding requirement section for an explanation of the required documents listed below.

**Documents required are as follows:**

**INITIAL PAYMENT:**

1. Proof of prequalification of bidders for projects over $1M
2. Advertisement for bid
3. Board action awarding bid
4. Designation of sub-contractors
5. Duly signed contract
6. Payment bond (if over $25,000)
7. Certification of liability insurance
8. Escrow agreement (if applicable)
9. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative

**PROGRESS PAYMENTS:**
1. Invoice matching items or work
2. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative
3. Escrow/bank statement showing balance in escrow account (balance should be sufficient to cover required retention)
4. Change orders, if any, with board approval
5. Stop payment notice(s)(if any)

**FINAL PAYMENT:**
1. Invoice matching items or work
2. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative
3. Release of stop payment notice (if any)
4. Board acceptance of completed project
5. Recorded notice of completion

**CALIFORNIA UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (CUPCCAA)**

A Public Entity may elect to adopt the Uniform Public Construction Cost Accounting Act and use “Informal Bidding Procedures” to Award Contracts Between $45,000 and $175,000. The Act raises the formal bid thresholds for public entities to $175,000 and sets forth specific informal and formal bidding procedures. The Act is applicable to any district or county office whose board has elected by resolution to become subject to the procedures set forth in CUPCCAA.

The Act’s “informal bidding procedures” require a public entity to notify specific trade journals each year in November and generate a list of interested contractors from contractor responses received by the public entity to the trade journal notifications. After this a “Master List” is created, the public entity must provide all contractors on the Master List with notice for each contract.

CUPCAA does not apply to purchases. Membership only increases a bid limit – all bonding requirements still apply.
exceeding $45,000 to be bid at least ten (10) calendar days before bids are due. Additionally, the Act requires public agencies to notify these construction trade journals when formally bidding contracts in excess of $175,000, as a part of the Act’s formal bid procedures.

Bid limits for public projects are raised as follows:

- $45,000 or less may be performed by negotiated contract or by purchase order
- $175,000 or less may be let to contract by the informal procedures set forth in the Act
- More than $175,000 shall be let to contract by formal bidding procedures.

The Act is a good tool for public entities who want to raise their bid limits and have sufficient resources and staff time. A Master List must be generated each year, with notice provided to all contractors contained within and the construction trade journals each time the public entity bids a construction contract between $45,000 and $175,000.

For more details on how to elect to become subject to CUPCCAA click the link below http://www.sco.ca.gov/ard_cuccac.html

With the exception of items 3 & 4 below that relate to bidding, all other documents listed above (5-17) are required from CUPCCA districts for expenditures more than $15,000 for public projects and construction services, or more than the bid threshold adjusted every year for materials, equipment, or supplies as well as repairs and maintenance.

Minimum documentation includes:

**Proof of election to CUPCCAA**

The State Controller’s office publishes a list of participating agencies. Commercial claims staff will verify that a requesting district is on this list. If a district is not listed, Commercial Claims will require:

1. Board Resolution electing to become subject to CUPCCAA and;
2. Notification of such election to the State Controller

**Proof of competitive bidding (on applicable limits above $175,000)**

3. Advertisement to bid. If informal bidding (above $45000 but less than $175000), then a notice provided to contractors on the Master List is sufficient.
4. If formal bidding, board action awarding the bid

**Initial Payment:**

In addition to the proof of election to CUPCCAA and proof of bidding for projects over $175,000, the following documents will be required:

5. Designation of sub-contractors or statement of “none”
6. Duly signed contract
7. Payment bond (if over $25,000)
8. Certification of insurance
9. Escrow agreement (if retention is deposited to an escrow agent)
10. Application and Certificate for Payment with the approval of the contractor, architect, inspector, district authorized representative

**For Progress Payments:**

11. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative
12. Escrow/bank statement showing balance in escrow account if the retention is held in escrow (balance should be sufficient to cover required retention)
13. Change orders with board approval (Note: Each change order more than 10% of the original contract amount is subject to formal bidding)
14. Stop payment notice(s), if any

**For Final Payment:**

15. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative
16. Release of stop payment notice, if any
17. Board acceptance of completed project
18. Recorded notice of completion (Please refer to Notice of Completion section)

**[EC39802] In order to procure the service at the lowest possible figure consistent with proper and satisfactory service, the governing board shall, whenever an expenditure of more than ten thousand dollars ($10,000) is involved, secure bids pursuant to Sections 20111 and 20112 of the Public Contract Code whenever it is contemplated that a contract may be made with a person or corporation other than a common carrier or a municipally owned transit system or a parent or guardian of the pupils to be transported. The governing board may let the contract for the service to other than the lowest bidder.**
TRANSPORTATION SERVICES

Documentation required for payment:

1. Advertisement to bid
2. Board action awarding the bid
3. Contract
4. Invoice

Required if the contract is above $10,000 and the vendor is not a common carrier or a municipally owned transit system or a parent or guardian of the pupils to be transported.

[EC39803]

(a) If a continuing contract for the furnishing of transportation of pupils in school districts to and from school is made it shall be made for a term not to exceed five years. A contract is renewable at the option of the school district and the party contracting to provide transportation services, jointly, at the end of the term of the contract. The contract as renewed shall include all of the terms and conditions of the previous contract, including any provisions increasing rates based on increased costs.

(b) A continuing contract may be made for the lease or rental of school buses, not to exceed five years, except that if a lease or rental contract provides that the district may exercise an option either to purchase the buses or to cancel the lease at the end of each annual period during the period of the contract, the contract may be made for a term not to exceed 10 years.

(c) Notwithstanding any other provisions of law to the contrary, a continuing contract executed under the provisions of this section may be negotiated annually within the contract period when economic factors indicate negotiation is necessary to maintain an equitable pricing structure. Renegotiation is subject to the approval of both contracting parties.

(d) Any rental, lease, or lease-purchase of a school bus shall comply with all applicable provisions of Article 3 (commencing with Section 17450) of Chapter 4 of Part 10.5.
In addition to the requirements outlined by [EC 39803] on the previous page, please note:

- **The type of contract:** should specify the type of transportation service being performed and the vehicle being used to provide the transportation, e.g., “bus transportation for athletic events”
- **The term of contract:** generally tied to a particular school year, although multiple year contracts are authorized by [EC 17596, 39803] and limits terms of continuing agreements or services to five years. [EC 39803] authorizes 10-year contracts under certain circumstances
- **The payment provisions:** often based on an amount per mile of transportation for use of the equipment, as well as an amount for the driver.
OTHER BIDDING ALTERNATIVES

COOPERATIVE CONTRACTS

CALIFORNIA MULTIPLE AWARDS SCHEDULE (CMAS)
CMAS allows public agencies to take advantage of contracts negotiated by the state. School districts are authorized to utilize CMAS contracts established by the state for the “acquisition of information technology, goods and services” without separately bidding those services. CMAS contract must be current and in good standing (unexpired) at the time of purchase.

WESTERN STATES CONTRACTING ALLIANCE (WSCA)
WSCA is a cooperative between the purchasing directors of fifteen western states, including California, and operates like CMAS. State and local agencies may enter into contracts with vendors contracting with California, and other participating states without further competitive bidding [PCC 10298(a)]. WSCA contract must be current and in good standing (unexpired) at the time of purchase.

Documents required for CMAS, WSCA, and other Cooperative Contracts:

Initial Payment
1. Board Approval to use Cooperative Contracts in lieu of competitive bidding
2. Board approval of contract or PO
3. Payment bond if contract involves a public works expenditure in excess of $25,000
4. The contract number must be indicated on the purchase order and invoice (California Department of General Services (DGS) requires that purchase orders and contractor invoices show the Contract Number)
5. Invoice
6. Acknowledgement of receipt of goods/services

Progress Payments
1. Purchase order and invoice with the contract number referenced
2. Certification that products and price of item listed on the invoice were verified with the contract product and price
3. Acknowledgement of receipt of goods/services
Final Payments

1. If 5% retention was withheld on progress payments, district acceptance of completion is required to release retention on final payment.
2. If the contract had a payment bond, recorded notice of completion is required.
3. If there were stop payment notices, include release of stop payment notices.

PIGGYBACK CONTRACTS
[PCC 20118/20652]

To piggyback is to use another public entity’s contract. This should be used only for purchase of equipment, materials, and/or supplies. Labor and services are not piggybackable.

[PCC 20118]

Minimum Document Required
1. Board approval to piggyback
2. Piggyback contract with piggyback clause
3. Signed contract, lease, requisition or purchase order
4. Proof of receipt
5. Proof of bidding, if installation or labor of over $15,000 was included in the purchase
6. Payment Bond equivalent to 100% of the contract amount if installation or labor is over $25,000
7. District acceptance of completion for release of retention upon final payment
8. A recorded Notice of Completion if payment bond was provided
Expenditures Exempt from Bidding

Emergency Repairs

Districts may award contracts without competitive bidding in specific emergency situations after the district has obtained an approved emergency request from the County Superintendent of Schools. An emergency resolution only exempts a district from going out to bid, all other legal requirements must be complied with.

Required Documentation

1. Emergency Resolution (Ref Bulletin 3458 for sample) approved by the Board
2. Approval of County Superintendent of Schools
3. Invoice
4. Signed Contractor Agreement
5. Payment Bond (if over $25,000)
6. Designation of Subcontractors
7. Certificate of Insurance
8. Progress Payment Invoice or Certification and Application for Payment with the approval of the contractor, architect, inspector, and district representative
9. 5% retention on progress payments
10. Stop Payment Notices (if any)
11. Release of Stop Payment of Notices (if any)
12. Board Acceptance of completed project
13. Recorded Notice of Completion
14. Change Orders, if any, will require Board Approval (Note: Change order more than 10% of the original contract amount is subject to formal bidding)

[Warning]
Exemption from bidding does not eliminate the need for any bonds or security otherwise required by law.

If cost of purchase includes installation and labor costs, a payment bond equivalent to the total contract amount will be required.

[LACOE Bulletin 3458, dated 11/09/2012]
Emergency Work must fit the definition of an emergency – sudden, unexpected occurrence, poses a clear and imminent danger, require immediate action to prevent or mitigate the loss or impairment of life, health, property or essential public services. Board must approve a resolution to declare an emergency and must submit a resolution to LACOE for approval.
SOLE SOURCE
[PCC 3400]

A sole source arises when only one person or company can provide the contractual services needed because of the uniqueness of the product or service. Any attempt to go out to bid will result in that person or company being the only one to respond and as such no need to bid out such contracts. A justification is required for sole source; the following are guiding factors for the justification:

- The item requested is a one-of-a-kind item.
- The purchase cannot be made from another vendor.
- The item is a replacement part for a specific brand of existing equipment and not compatible with other products.
- An item with unique features is required to successfully perform the service and these features are not available in other brand or product.
- Other comparable models have been examined and they can’t fit the requirement.
- It’s authorized or required by law, e.g., socio-economic programs, national security and the public interest.
- Only vendor or company that can meet the time constraints.

Required Documentation

Prior to Contracting
1. Board Resolution declaring a Sole Source Procurement Method in lieu of competitive bidding

Before Start of Work
2. Signed contract
3. Board approval of Contract or Purchase Order
4. Payment bond if contract involves a public works expenditure in excess of $25,000

Progress Payment
5. Invoice approved for payment by authorized signatory
6. 5% Retention of amount due if contract involves a public works expenditure in excess of $5,000
7. Acknowledgement of receipt of goods/services

Final Payments
8. Invoice approved for payment by authorized signatory
9. Acknowledgement of receipt of goods/services
10. If 5% retention was withheld on progress payments, district acceptance of completion is required to release retention on final payment
11. If the contract had a payment bond, recorded Notice of Completion

**LEASE AND LEASEBACK**

[EC17406/81336]

Education Code [EC 17406/81336] allows districts to award a contract for public works without competitive bids. Before using Lease Lease-back, districts need to establish proof of ownership of the site where the project will be constructed at the time the apportionment is approved by the State Allocation Board (SAB). The Lease Lease-Back method has been challenged in various sectors because of the seemingly questionable assurance that the awarding of contracts does not contain favoritism, it is fair, free of fraud, and that public funds are being used in an efficient and cost-effective manner. **Districts are advised to take precautionary measures when entering into these agreements. Please seek legal counsel before using Lease Lease-Back.**

See LACOE Bulletin # 3711 for more details.

**Required Documentation**

**Initial Payment**

1. Proof of site ownership
2. Division of State Architects (DSA) Approval of Plans and Soils Investigation Report Summary
3. Board Resolution Approving and Awarding Contracts/Agreements
4. Signed Contracts/Agreements:
   a) Site Lease
   b) Facilities Lease with the Construction Services Agreement to include, among others, provisions on:
      i) Labor code requirements, i.e., prevailing wages, work hours, and apprenticeship issues
      ii) Guarantee obligations
      iii) Termination of contract
      iv) Resolution of non-performance
      v) Guaranteed Maximum Price

State bond funds may not be used for lease costs or site acquisition costs.
5. Performance and Payment Bond
6. General Insurance and Workers’ Compensation Insurance
7. Certification of Application for payment with approval of the contractor, architect, inspector, and district authorized representative

Progress Payments
8. Certification and Application for payment with the approval of the contractor, architect, inspector and district authorized representative
9. Change Orders with Board Approval (should be within the context of the Contingency Fund provision)
10. Stop Payment Notice(s), if any

Final Payment
11. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative
12. Release of Stop Payment Notice (if any)
13. Board Acceptance of Completed Project
14. Recorded Notice of Completion

PURCHASE OF SURPLUS PROPERTY FROM THE FEDERAL GOVERNMENT
A local agency may acquire from the federal government or any agency thereof any surplus property, as defined in the Surplus Property Act of 1944, in any amount needed for its operation without competitive bidding. [EC 17602] [GC 54142]

Required Documentation
1. Proof of exemption from bidding, i.e., letter or notice of surplus property from the Federal Government
2. Board Approval or Purchase Order with proof of ratification
3. Invoice
4. Proof of receipt

PROFESSIONAL SERVICES
[GC53060]
Districts may contract with and employ any persons for the special services and advice in financial, economic, accounting, engineering, legal or administrative matters if such persons are specially trained, experienced and competent to perform the special services required.
Required Documentation
1. Invoice
2. Signed Contract or Purchase Order with proof of ratification by the board
3. Log-in sheet or proof of service received, i.e., signed timesheets

INFORMATION SYSTEMS
[PCC 20118.2] [EC 81651]

School districts may procure, by a detailed request for proposal (RFP) and competitive negotiation process computers, software, telecommunications equipment, microwave equipment and other related electronic equipment and apparatus provided that the contracts are not for construction or for the procurement of any product that is available in substantial quantities to the general public. Published notice is required and the RFP must identify all significant evaluation factors, including price and their relative importance. Procedures for technical evaluation of proposals must be in place. If award is not to the lowest priced bidder, the district “shall make a finding, setting forth the basis for the award.”

Required Documentation for expenditures over bid limit

Prior to Contracting
1. Board Resolution purchase under [PCC 20118.2]
2. Publication of Notice of Request for Proposals

Before Start of Work
3. Signed Contract and/or Purchase Order
4. Board Approval of Contract and/or Purchase Order
5. Payment bond if contract involves a public works expenditure in excess of $25,000

Progress Payment
6. Invoice approved for payment by authorized signatory
7. Retention of 5% of amount due if contract involves a public works expenditure in excess of $5,000
8. Acknowledgement of receipt of goods/services

Final Payment
9. Invoice
10. Acknowledgement of receipt of goods/services
11. If 5% retention was withheld on progress payments, districts acceptance of completion is required to release retention on final payment
12. Release of Stop Notice if any
13. If the contract had a payment bond, recorded notice of completion

**Energy Conservation**

[GC 4217.10 – 4217.16]

Public agencies may develop energy conservation, cogeneration, and alternate energy supply sources at their facilities. Prior to awarding or entering into an agreement or lease, the public agency may request proposals from qualified persons. After evaluating the proposals, the public agency may award the contract on the basis of the experience of the contractor, the type of technology employed by the contractor, the cost to the local agency and any other relevant considerations. The public agency may utilize the pool of qualified energy service companies established pursuant to Section 388 of the Public Utilities Code and the procedures contained in that section in awarding the contract.

**Required Documentation for expenditures over bid limit**

**Prior to Contracting**

1. Board Resolution purchase under PCC 20118.2
2. Publication of Notice of Request for Proposals

**Before Start of Work**

3. Contract with Board Approval or Purchase Order with proof of Board ratification
4. Payment bond if contract involves a public works expenditure in excess of $25,000

**Progress Payment**

5. Invoice approved for payment by authorized signatory
6. Retention of 5% of amount due if contract involves a public works expenditure in excess of $5,000
7. Acknowledgement of receipt of goods/services

**Final Payment**

8. Invoice approved for payment by authorized signatory
9. Acknowledgement of receipt of goods/services
10. If 5% retention was withheld on progress payments, districts acceptance of completion is required to release retention on final payment
11. Release of Stop Notice, if any
12. If the contract had a payment bond, recorded notice of completion
Exemption from bidding does not eliminate the need for any bonds or security otherwise required by law.

SALE AND LEASEBACK
[EC17456/17597]

The sale or lease of any real property belonging to the school district for a term not exceeding 99 years shall not be subject to competitive bidding if all of the following conditions are met:

A. The property is sold or leased to another local government agency, or to a non-profit corporation that is organized for the purpose of assisting one or more local governmental agencies in obtaining financing.

B. (1) In the case of the sale of school district property, the school district, as part of that same sale transaction, simultaneously repurchases the same property that is the subject of the transaction.

(2) In the case of the lease of school district property, the school district, as part of that same lease transaction, simultaneously leases back, for a term that is not substantially less than the term of that lease, the same property that is the subject of the transaction.

a) The financing proceeds obtained by the school district are expended solely for capital outlay purposes, including the acquisition of real property for intended use as a school site and the construction, reconstruction and renovation of school facilities.

In addition, any school district may sell to a purchaser any electronic data processing equipment, other major items of equipment, or any relocatable building owned by, or to be owned by, the school district, if the purchaser agrees to lease the equipment or building back to the school district for use by the school district following the sale.

Required Documentation

Prior to Contracting

1. Board Resolution purchase under [PCC 20118.2]
2. Publication of Notice of Request for Proposals

Before Start of Work

3. Signed Contract and/or Purchase Order
4. Board Approval of Contract and/or Purchase Order
5. Payment bond if contract involves a public works expenditure in excess of $25,000

**Progress Payment**

6. Invoice approved for payment by authorized signatory
7. Retention of 5% of amount due if contract involves a public works expenditure in excess of $5,000
8. Acknowledgement of receipt of goods/services

**Final Payment**

9. Invoice approved for payment by authorized signatory
10. Acknowledgement of receipt of goods/services
11. If 5% retention was withheld on progress payments, districts acceptance of completion is required to release retention on final payment
12. Release of Stop Notice, if any
13. If the contract had a payment bond, recorded notice of completion

**DEPARTMENT OF GENERAL SERVICES (DGS) CONTRACTS**

[PCC10299(b)]

School districts may, without competitive bidding, utilize contracts, master agreements, multiple award schedules, cooperative agreements or other types of agreements established by the Department for the acquisition of information technology, goods and services.

**Required Documentation**

1. Board Approval or Purchase Order with proof of ratification
2. Invoice
3. Proof of receipt

**FOOD**

[EC 38083]

Perishable foodstuffs and seasonal commodities needed in the operation of cafeterias are not subject to competitive bidding.

**Required Documentation**

1. Invoice
2. Board Approval or Purchase Order with proof of ratification
3. Proof of receipt
EXPENDITURES – GENERAL

Changes in all PO’s or Contracts in term and amount require a change order with proof of board approval. Refer to Change Order section on page 25.

BOOKS AND INSTRUCTIONAL MATERIALS
(Object code 4100-4200)

“The governing board of any school district may purchase supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, instructional computer software packages, or periodicals in any amount needed for the operation of the schools of the district without taking estimates or advertising for bids.” [EC 81651/PCC 20118.3]

Required Documentation
1. Invoice
2. Contract with Board approval or Purchase Order with proof of ratification
3. Proof of receipt

MATERIALS AND SUPPLIES—(NON-CAPITALIZED EQUIPMENT)
(Object Code 4100-4400)

Required Documentation
1. Invoice
2. Board approval or Purchase Order with proof of ratification
3. Proof of Receipt
PROFESSIONAL/CONSULTING SERVICES
(Object Code 5810-5899)

INSTRUCTIONAL SERVICES/NON-INSTRUCTIONAL CONSULTANTS
Expenditures for personal services rendered by personnel who are not on the payroll of the district; includes services performed by outside agencies.

Required Documentation
1. Invoice
2. Board approval or Purchase Order with proof of ratification
3. Proof of event, (i.e. signed log-in sheet, flyer, signed timesheet)

SUB-AGREEMENTS FOR SERVICES
These are contracts with third party to provide services required by a grant, such as emergency services required by an Emergency Response Safety Grant, contracts with nonpublic schools for services to the district’s special education students, and contracts between a charter school and management company to provide instruction to charter school students.

Required Documentation
1. Invoice
2. Board approval or Purchase Order with proof of ratification
3. Proof of service or event signed by the Department Head or Program Manager.
4. For initial payment, copy of signed contract.

APPRASIALS
(Object Code 5810-5819)

Required Documentation
1. Invoice
2. Board approved contract or Purchase Order with proof of ratification

SPECIAL ASSESSMENTS
(Object Code 5820-5829)

Required Documentation
1. Invoice
2. Board approved contract or Purchase Order with proof of ratification

$25,000 of each individual sub-agreement may be coded to Object 5800, with the remainder charged to Object 5100. The $25,000 limit applies for the duration of...
LEGAL SERVICES
(Object Code 5820-5829)

Required Documentation
1. Invoice
2. Board approved contract or Purchase Order with proof of ratification
3. Duly Signed Contract

SETTLEMENT AGREEMENTS
(Object Code 5820-5829)

Districts are advised to pay Employee Settlement Agreements through payroll; refer to LACOE Bulletin 3695. Employee Settlements are treated as wages per IRS ruling 2004-109 and 2004-110. It must be paid through the payroll system to ensure compliance to IRS retirement reporting regulations. Where a district pays an employee settlement agreement using a voucher, the following documents are required.

1. Settlement agreement signed by both parties and the legal counsels for both parties; or Court Order
2. Board approval in open session per the Brown Act or, if approved in a closed session, report of the final action taken on the case number referenced in the closed session board minutes
3. If taxes are not taken from the settlement, a letter from an authorized district personnel acknowledging the district can be held liable for failure to properly issue a 1099 and for failure to withhold required taxes if determined settlement is taxable.

TRAVEL AND CONFERENCES
[EC35044, 44032, 72423]
(Object Code 5200-5299)

Required Documentation
1. Invoices and/or receipts
2. Travel Claims
3. Board approved contract or Purchase Order with proof of ratification of travel/conference
4. Board Travel and Mileage Policies may be required (if not on file)
**DUES AND MEMBERSHIPS**  
[EC 35172]  
(Object Code 5300-5399)

**Required Documentation**

1. Invoice  
2. Authorized List of Membership Organizations with Specific Board Approval or Purchase Order with proof of ratification

**INSURANCE (ALL FORMS OF INSURANCE OTHER THAN EMPLOYEE BENEFITS)**  
(Object Code 5400-5499)

**Required Documentation**

1. Invoice  
2. Insurance Policy  
3. Board Approval or Purchase Order with proof of ratification

**OPERATIONS AND HOUSEKEEPING SERVICES**  
(Object Code 5500-5599)

**Required Documentation**

1. Invoice  
2. Contract with Board approval or Purchase Order with proof of ratification

**RENTALS AND LEASES**  
(Object Code 5610-5629)

These are expenditures for rentals and leases without option to purchase, and repairs or maintenance (including maintenance agreements) of sites, buildings, and equipment by outside vendors. Includes materials and supplies in the cost or repairs, and site or building improvements that do not meet the district’s threshold for capitalization. Capital leases should be recorded according to the procedures in **CSAM Procedure 710**.

**Required Documentation**

1. Invoice  
2. Contract with Board Approval (recurring lease or long term lease)  
3. Purchase Order with Board Approval (one-time lease only) if assigned, need assignment contract

Utility vendors may be exempt from audit if vendor is classified as Global.

---

4. Payment Schedule if not contained in contract

**REPAIRS, AND NON-CAPITALIZED IMPROVEMENTS**
(Object Code 5610-5629)

**Required Documentation**
1. Invoice
2. Duly Signed Contract or Purchase Order
3. For payments of more than 95% of the contract price of $5,000 or more, district’s acceptance of completion of the project [PCC 9203]
4. Payment bond if work to be done is over $25,000 [CC 9552]

**ADVERTISING**
(Object Code 5830-5839)

**Required Documentation**
1. Invoice
2. Duly Signed Purchase Order or Board Approval
3. Copy of advertisement

**TUITION**
(Object Code 7110-7199)

**Required Documentation**
1. Invoice
2. Approval for payment by Authorized Signatory

**PRIVATE SCHOOL TUITION**
(Object Code 5870)

**Required Documentation**
1. Master and/or Individual Contract
2. Board Approval

**OTHER OPERATING EXPENSES**
(Object Code 5890-5899)

**Required Documentation**
1. Invoice
2. Duly Signed Purchase Order, Contract, or Board Approval
COMMUNICATIONS  
(OBJECT CODE 5900-5998)
Expenditures for periodic servicing of all methods of communication, including pagers, cell phones, beepers and telephone service systems. Also includes fax lines, TV cable lines and Internet service and lines. Communication equipment below the capitalization threshold should be coded to Object 4400. If the cost of a unit of equipment exceeds the capitalization threshold, use Object 6400.

[EC42800] The governing board of a school district may, with the consent of the county superintendent of schools, establish a revolving cash fund for the use of the chief accounting officer of the school district, by adopting a resolution setting forth the necessity for the revolving cash fund, the officer for whom and the purposes for which the revolving cash fund shall be available, and the amount of the fund. The maximum amount allowed for revolving cash funds shall be the lesser of:

1. Two percent of the school district’s estimated expenditures for the current fiscal year, or
2. A dollar amount set by code

[EC42801] In addition to establishing or maintaining a revolving cash fund the governing board of any school district may, by resolution, establish revolving cash funds for use by school principals and other administrative officials. The resolution shall state the necessity of the funds and the purposes for which the funds may be used and the amount of the funds. The total amount of the fund shall not exceed three percent of the current year’s instructional supply budget.

Required Documentation
1. Invoice
2. Board approval or Purchase Order with proof of ratification
3. Signed Contract and/or Purchase Order
4. Board Approval of Contract and/or Purchase Order
**Reimbursable/Replenishment of Petty Cash**

If type of transaction is **auditable** regardless of amount i.e. construction, contracts, travel, - other documentation to prove compliance to applicable codes will apply (i.e. board approval, proof of bidding, payment bond). Please refer to the transaction description for complete audit documentation requirements.

**Minimum Documentation Requirements**

**Payroll Advance**

Should be made through HRS system or approval from payroll unit to process through commercial warrant.

**Vendor Payments**

Invoice or statement approved for payment by authorized signatory certifying that charges were authorized, verified, and are actual charges for the district.

**Travel Advances and Reimbursable**

1. Copy of brochure, pre-registration form, or agenda
2. Travel request or travel advance form with authorized signatures
3. Receipts

**Credit Cards**

Credit cards may be obtained in the name of the school district for use by authorized district employees and officials. Districts should establish policies for the use of credit cards. Individuals are to charge only those items which are legal expenditures and reimbursable from district funds.

Credit cards would normally be used for the following expenditures:

- Gasoline
- Telephone
- Travel expenses
- Miscellaneous school supplies

![Cash advances on credit cards are prohibited]

**Minimum Documentation required**

1. Credit card statement.
2. Receipts or a certification by individual responsible for district credit card expenses that charges were reviewed. See example in Exhibit 6.
3. Purchase order with proof of board ratification or excerpt from governing Board minutes approving the credit card purchases.
**OTHER TRANSFERS OUT**  
(Object Code 7210-7299)

These are transfers of resources to other districts and non-districts, i.e., transfers to Charter Schools, JPAs.

**Required Documentation**  
1. Invoice  
2. Approval for payment by an Authorized Signatory

**DEBT SERVICE**  
(Object Code 7639)

**Required Documentation**  
1. Invoice  
2. Approval for payment by Authorized Signatory  
3. Certification of Participation Trust Agreement with the schedule of payment

**OTHER FINANCING USES**  
(Object Code 7630-7699)

**Required Documentation**  
1. Inter-fund transfer authorization  
2. Board Approval

**ABATEMENT OF INCOME**  
(Object Code 8000)

These are reductions in income or tax revenues recorded in Object 8xxx.

**Required Documentation**  
1. Invoice  
2. Board Approval

**WITHHOLDINGS – PAYROLL**  
(Object Code 9511-9518)

1. Authorization from Payroll department to issue commercial warrant  
2. Invoice  

Benefits paid by commercial warrant may be exempt from audit if vendor/plan administrator is classified as Global.  
(See LACOE Bulletin# 4291)
CAPITAL EXPENDITURE

These are expenditures for land, buildings, equipment, capitalized complements of books for new libraries, and other intangible capital assets, such as computer software, including items acquired through leases with option to purchase.

PROPERTY/SITE OR LAND PURCHASE
(Object Code 6100-6170)

The following backup documentation for building or Site or Land Purchase will be requested:

1. Letter of Intent to Purchase with Board Approval; this allows the district to make a deposit, and should indicate the deposit and sale price.
2. Excerpt from the minutes of the governing Board describing and approving the property to be purchased, amount to be paid and authorization for execution of escrow instructions.
3. Escrow instructions approved by legal counsel.

Required Documentation
1. Invoice
2. Signed Contract with Board Approval
3. Escrow Agreement (if acquiring land)

BUILDING/SITE IMPROVEMENTS OR BUILDING IMPROVEMENTS
(Object Code 6200-6299)

These include cost of construction or purchase of new buildings (including relocatable buildings, such as portable classrooms, additions and replacements of obsolete buildings including all costs incidental to the purchase or improvement.

Also applicable to additions to/improvements of sites and adjacent ways. Include incidental expenditures in connection with acquisition of sites, site improvements and special assessments on leased property.

If building or site improvement is over bid limit, refer to Formal Bidding Requirement section.

Required Documentation
1. Invoice
2. Signed Contract with Board Approval
3. For payments of more than 95% on a contract amount of $5,000 or more, district’s acceptance of completion of the project [PCC 9203]
4. Payment bond if work to be done is over $25,000 [CC 9552]
If over bid limit, refer to **Formal Bidding Requirement section**.

**NOTE:** Consultant services for construction projects such as architect fees, design fees and building security will only require items 1 and 2 above.

**BOOKS AND MEDIA FOR SCHOOL LIBRARIES OR MAJOR EXPANSION OF SCHOOL LIBRARIES**
(Object Code 6300-6399)

**Required Documentation**
1. Invoice
2. Duly Signed Purchase Order or Contract
3. Proof of receipt

If over bid limit, refer to **Formal Bidding Requirement section**.

**EQUIPMENT/EQUIPMENT REPLACEMENT**
(Object 6400-6599)

**Required Documentation**
1. Invoice
2. Duly Signed Purchase Order or Contract
3. Proof of receipt
4. For payments of more than 95% on a contract above $5,000, district’s acceptance of completion of work [PCC 9203]
5. Payment bond if installation cost is over $25,000 [CC 9552]

*NOTE:* Items 4 and 5 are required regardless of whether contract is subject to competitive or exempt from competitive bidding.

If over bid limit, refer to **Formal Bidding Requirement section**.
GLOSSARY

**Bid Splitting**

The Public Contract Code prohibits the splitting of a contract, project or service into smaller work orders for the purpose of avoiding competitive bidding.

Neither work nor labor associated with a purchase of equipment or materials to be installed to improve an existing building should be separated out from the equipment purchase for the purpose of avoiding the requirement for competitive bidding.

For projects or jobs to be considered separate for purposes of the competitive bidding statutes, it must be separately conceived and independently decided upon by the governing board. [PCC 20116/20657]

**Change Order**

This is work that is added to or deleted from the original scope of work of a contract, which alters the original contract amount and/or completion date.

**Competitive Bidding**

A procurement method in which bids from competing contractors, suppliers, or vendors are invited by openly advertising the scope, specifications, and terms and conditions of the proposed contract as well as the criteria by which the bids will be evaluated.

**Notice of Completion**

A written notice issued by the owner of a project (or his or her agent) to notify concerned parties that all work on the project has been completed. This notice also sets the period within which concerned parties may exercise their lien rights against one another.

**Payment Bond**

A payment bond is a surety bond (a promise to pay one party (the obligee) a certain amount if a second party fails to meet an obligation), posted by a contractor to guarantee that subcontractors and material suppliers on the project will be paid.

**Payment Schedule**

An arrangement for payments to the contractor, typically based on amounts of work completed.
**Performance Bond**

A surety bond issued by an insurance company or a bank to guarantee satisfactory completion of a project by a contractor.

**Piggyback**

Piggyback is a method that allows one party to take advantage of a contract between two other parties.

**Retention**

This provides owners with knowledge that the project a contractor has signed must be completed if the contractor is to be paid for his or her work in its entirety. A retention plan often calls for the withholding of 5% to 10% of payment until the work is finished as promised.

**Sole Source**

This means that there is only one person or company that can provide the contractual services needed, so any attempt to obtain bids would only result in that person or company bidding on it.

**Stop Payment Notice**

It is a notice to withhold funds, sent to the agency that is providing the construction funds for a project. The purpose of the Stop Notice is to provide the financier of the construction project notice that there is money owed to a contractor, subcontractor or supplier so that an inquiry can be made as to why that money is not being paid. Once the agency receives the Stop Notice, that agency has notice that is should withhold sufficient money to satisfy the stop notice claim.

**Sub Agreement**

Agreements with a third party by a district to provide instructional or support activities.
EXHIBITS

Exhibit 1 - Audit Profile K-12 Districts ...................................................... 1
Exhibit 2 - Audit Profile Community Colleges .......................................... 2
Exhibit 3 - Acknowledgement of Funding Source ..................................... 3
Exhibit 4 - Designation of Subcontractors ............................................... 4
Exhibit 5 - Escrow Agreement for Security Deposit in Lieu of Retention ... 5
Exhibit 6 - Certification of Credit Card Charges ....................................... 6

Appendices

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Acknowledged Receipt of Goods/Services .......................................... A02
Common Government Purchasing Codes ........................................... A03
Commercial Claims Quick Reference Guide ..................................... A04
CUPCCAA FAQs and Information .................................................... A05
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Related Bulletins

https://www.lacoe.edu/Bulletins.aspx

- Bulletin #128 Contract Payment Retention ................. B01
- Bulletin #270 Piggybacks and Modulars ....................... B02
- Bulletin #3695 Settlement Agreements .......................... B03
- Bulletin #3711 Overview of Lease/Leasebacks ................. B04
- Bulletin #3742 AB1565 ........................................... B05
- Bulletin #3950 Voucher Approval Panel ....................... B06
- Bulletin #4106 Board Approval Documentation Requirements . B07
- Bulletin #4172 Warrants for Deceased Employees ............ B08
- Bulletin #4192 Voucher Attachment ............................. B09
- Bulletin #4908 Certification of Signatures ..................... B10
- Bulletin #4267 Emergency Resolutions ........................ B11
- Bulletin #4268 Electronic Voucher Request Claim Form ...... B12
- Bulletin #4939 Bid Limit Increase ............................... B13
- Bulletin #4291 Global Vendor Set-Up ........................... B14
- Bulletin #4304 Voucher Document Delivery Method .......... B15
- Bulletin #4404 AP Inquiry Panels ............................... B16
- Bulletin #4424 Inspection of Work Inspector/Architect Requirement .... B17
- Bulletin #4475 Processing Replacement Warrants For Deceased Employees .......... B18
**ABBREVIATIONS OF LEGAL REFERENCES**

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California Codes may be accessed via the following websites:

California Law at: [www.leginfo.ca.gov/calaw.html](http://www.leginfo.ca.gov/calaw.html)

California Code of Regulations at: [www.dir.ca.gov/dlse/CCR.htm](http://www.dir.ca.gov/dlse/CCR.htm)
## AUDIT PROFILE FOR K12 DISTRICTS (MODEL)

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## AUDIT PROFILE COMMUNITY COLLEGES (MODEL)

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Certification of Funding Source

The undersigned hereby acknowledges that state funds will not be used in whole or in part on this project according to the statute AB1565 Prequalification of Bidders.

Project #______________________________
Vendor Name____________________________

District______________________________
Name______________________________
Title______________________________
Date______________________________
Signature____________________________
Designation of Subcontractors

a. In compliance with the Subletting and Subcontracting Fair Practices Act (Public Contract Code §4100 et seq.) and any amendments thereof, each bidder shall set forth below: (1) the name and the location of the place of business of each subcontractor who will perform work or labor or render services to the prime contractor in or about the construction of the work or improvement to be performed under this contract in an amount in excess of one-half of one percent of the prime contractor's total bid, and (2) the portion of the work which will be done by each subcontractor under this act. The prime contractor shall list only one subcontractor for each portion as is defined by the prime contractor in this bid.

b. If a prime contractor fails to specify a subcontractor or if a prime contractor specifies more than one subcontractor for the same portion of work to be performed under the contract in excess of one-half of one percent of the prime contractor's total bid, he shall be deemed to have agreed that he is fully qualified to perform that portion himself, and that he shall perform that portion himself.

c. No prime contractor whose bid is accepted shall (1) substitute any subcontractor, (2) permit any subcontract to be voluntarily assigned or transferred or allow it to be performed by anyone other than the original subcontractor listed in the original bid, or (3) sublet or subcontract any portion of the work in excess of one-half of one percent of the prime contractor's total bid as to which his original bid did not designate a subcontractor, except as authorized in the Subletting and Subcontracting Fair Practices Act. Subletting or subcontracting of any portion of the work in excess of one-half of one percent of the prime contractor's total bid as to which no subcontractor was designated in the original bid shall only be permitted in cases of public emergency or necessity, and then only after a finding reduced to writing as a public record of the authority awarding this contract, setting forth the facts constituting the emergency or necessity.
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<th>Portion of Work</th>
<th>Subcontractor</th>
<th>Location and Place of Business</th>
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Name

Address

Contractor

Date: __________________________

By __________________________

_________________________
(Signature)
ESCROW AGREEMENT FOR
SECURITY DEPOSITS IN LIEU OF RETENTION

This Escrow Agreement is made and entered into by and
between __________________________ whose address is __________________________
hereinafter called "Owner,"
________________________ whose address is __________________________
hereinafter called "Contractor" and
________________________ whose address is __________________________
hereinafter called "Escrow Agent."

For the consideration hereinafter set forth, the Owner, Contractor, and Escrow Agent agree as follows:

(1) Pursuant to Section 22300 of the Public Contract Code of the State of California, Contractor has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by Owner pursuant to the Construction Contract entered into between the Owner and Contractor for ____ in the amount of ____ dated ____ (hereinafter referred to as the "Contract"). Alternatively, on written request of the Contractor, the Owner shall make payments of the retention earnings directly to the Escrow Agent.

When the Contractor deposits the securities as a substitute for Contract earnings, the Escrow Agent shall notify the Owner within 10 days of the deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the Contract between the Owner and Contractor. Securities shall be held in the name of __________, and shall designate the Contractor as the beneficial owner.

(2) The Owner shall make progress payments to the Contractor for those funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that the Escrow Agent holds securities in the form and amount specified above.

(3) When the Owner makes payment of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the Contractor until the time that the escrow created under this contract is terminated. The Contractor may direct the investment of the payments into securities. All terms and conditions of this agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the Owner pays the Escrow Agent directly.

(4) Contractor shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administering the Escrow Account and all expenses of the Owner. These expenses and payment terms shall be determined by the Owner, Contractor, and Escrow Agent.

(5) The interest earned on the securities or the money market accounts held in escrow and all interest earned on that interest shall be for the sole account of Contractor and shall be subject to withdrawal by Contractor at any time and from time to time without notice to the Owner.

(6) Contractor shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to Escrow Agent accompanied by written authorization from the Owner to the Escrow Agent that Owner consents to the withdrawal of the amount sought to be withdrawn by Contractor.

(7) The Owner shall have a right to draw upon the securities in the event of default by the Contractor. Upon seven days' written notice to the Escrow Agent from the owner of the default, the Escrow Agent shall immediately convert the securities to cash and shall
distribute the cash as instructed by the Owner.

(8) Upon receipt of written notification from the Owner certifying that the Contract is final and complete, and that the Contractor has complied with all requirements and procedures applicable to the Contract, Escrow Agent shall release to Contractor all securities and interest on deposit less escrow fees and charges of the Escrow Account. The escrow shall be closed immediately upon disbursement of all moneys and securities on deposit and payments of fees and charges.

(9) Escrow Agent shall rely on the written notifications from the Owner and the Contractor pursuant to Sections (5) to (8), inclusive, of this Agreement and the Owner and Contractor shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of the securities and interest as set forth above.

(10) The names of the persons who are authorized to give written notice or to receive written notice on behalf of the Owner and on behalf of Contractor in connection with the foregoing, and exemplars of their respective signatures are as follows:

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<th>On behalf of Owner:</th>
<th>On behalf of Contractor:</th>
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At the time the Escrow Account is opened, the Owner and Contractor shall deliver to the Escrow Agent a fully executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the date first set forth above.

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CERTIFICATION THAT CREDIT CARD EXPENSES WERE REVIEWED AND CONFIRM LEGAL EXPENSES OF THE DISTRICT

District Name: __________________________________________

Voucher#_________ Amount: __________________

Credit Card Name:________________________________________

“I hereby certify that the statement were reviewed and expenses shown represent actual and necessary expenses incurred pursuant to applicable policies and administrative regulations of the District. All receipts are on file in the district office and will be provided to the County Office of Education for audit purposes upon request.”

__________________________

Signature (Authorized District Official)

Printed Name __________________________________________

Title_________________________ Date _______________
SFS/Commercial Claims Pre-Audit Process Workflow

Start

District approved vouchers

PAYCYCLE PROCESS
Selects vouchers with Scheduled Due Date through today
Paycycle Audit hold Runs twice (12:30 noon and nightly) ;
Paycycle Amount Hold/Warrant
Print Runs once nightly
Batch processes at LACOE Monday-Friday except holidays

Is the object used subject to audit hold by SFS?

Yes

District sends documentation (i.e. contracts, purchase orders, invoices)

No

Is the payee a global vendor?

Yes

SFS Pre-Audit SFS Commercial Claims Section reviews documentation as to legality

No

Is voucher amount over threshold for district?

Yes

Is the fund/Object code exempt

No

Did SFS approve voucher?

Yes

Non-approval is due to insufficient documents and needs more info?

No

Non-approval is due to non-compliance with statutory requirements or lapsed time. SFS notifies district of non-approval

Payee exempted from SFS amount hold when payment is made for Fringe Benefits, Utilities and Withholding liabilities

*Global Vendor
Vendor exempted from SFS amount hold when payment is made for Fringe Benefits, Utilities and Withholding liabilities

**Object Codes
Fringe Benefits – 3700-3790, 9523-9589 All funds
Utilities - 5500-5539, 5900-5999 all funds
Withholding Liabilities - 9511-9589 fund 76.0 only
Employee Benefits – 5800-5899 fund 67.0 only

VOUCHER POST
Dr - Expenditure Cr – AP Accrual 9519

PRINT B-WARRANT (and Warrant Register) EFT Payment generated and issued the next working day

PAYMENT POST
Dr – AP Accrual 9519
Cr – Cash 9110

End
Acknowledged Receipt of Goods/Services

The undersigned hereby acknowledges receipt and delivery of the goods/services described on the annexed list or invoice and further acknowledges that said goods/services have been inspected and are without defect.

_____________________
Name, Title, Date
School Financial Services
Commercial Claims Processing
List of Common Government Purchasing Legal Requirements

A. Bidding Requirements

1. Public Contract Code (PCC) 20111(a) requires school districts to let any contracts involving an expenditure of more than $50,000 for -
   a. purchase of equipment, materials, supplies
   b. services, except for construction
   c. repairs that are not public projects

2. PCC 20111 (b) requires school districts to let any public projects involving an expenditure of $15,000 or more to the lowest responsible bidder.

3. PCC 20116 makes it unlawful to split or separate into smaller work orders or projects any work, project, service, or purchase for the purpose of evading the competitive bidding requirement.

4. PCC 20111.6 This section shall apply only to public projects, as defined in subdivision (c) of Section 22002 that involve a projected expenditure of one million dollars ($1,000,000) or more. If the governing board of the district enters into a contract meeting the criteria, then the governing board of the district shall require that prospective bidders for a construction contract complete and submit to the board of the district a standardized prequalification questionnaire and financial statement. The questionnaire and financial statement shall be verified under oath by the bidder in the manner in which civil pleadings in civil actions are verified. The questionnaires and financial statements shall not be public records and shall not be open to public inspection. This section shall not apply to a school district with an average daily attendance of less than 2,500.

5. PCC 20112 and EC 81641 require the governing board of a school district or community college district to advertise at least once a week for two weeks in a newspaper of general circulation published in the district, or if there is no such paper, then in a newspaper of general circulation in the county.

6. Government Code Section 6066 provides that publication for once a week for two weeks means two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates, not counting such publication dates, is sufficient. The advertisement must state the work to be done, the materials and supplies required from the contractor, and the day and time the bids are due. The advertisement must also state the time and place where the bids will be opened and read to the public. While the bid is not required to be opened exactly at the time specified, bids may not be received after that time.
B. Exceptions to Competitive Bidding

1. Professional service

The bidding and advertising requirements do not apply to professional services or advice, insurance services, or any other purchase or service otherwise exempt from this section, or to any work done by day labor or by force account pursuant to PCC 20114.

Government Code 53060- The governing board may contract with and employ any persons for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters.

2. Emergency – PCC 20113

In an emergency when any repairs, alterations, work, or improvements is necessary to any facility of public schools to permit the continuance of existing school classes, or to avoid danger to life or property, the board may, by unanimous vote, with the approval of the county superintendent of schools, may:

   (a) Make a contract for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bids.
   (b) Authorize the use of day labor or force account

3. Piggyback PCC 20118

   a. If the governing board has determined it to be in the best interest of the district, may authorize by contract, lease, requisition or purchase order, any public corporation or agency, including any county, city, town, or district, to lease data-processing equipment, purchase materials, supplies, equipment, automotive vehicles, tractors, and other personal property for the district in the manner in which the public corporation or agency is authorized by law to make the leases or purchases from a vendor.

   b. Electronic data-processing systems

   PCC 20118.1 Due to the highly specialized and unique nature of technology, telecommunications, related equipment, software, and services, because products and materials of that nature are undergoing rapid technological changes, and in order to allow for the introduction of new technological changes into the operations of the school district, it is in the public’s best interest to allow a school district to consider, in addition to price, factors such as vendor financing, performance reliability, standardization, life-cycle costs, delivery timetables, support logistics, the broadest possible range of competing products and materials available, fitness of purchase, manufacturer’s warranties, and similar factors in the award of contracts for technology, telecommunications, related equipment, software, and services. The governing board of any school district may contract with one of the three lowest
responsible bidders for the procurement or maintenance, or both, of electronic data-processing systems and supporting software.

c. Instructional supplies PCC 20118.3

The governing board of any school district may purchase supplementary textbooks, library books, educational films, audiovisual materials, test materials, workbooks, instructional computer software packages, or periodicals in any amount without taking estimates or advertising for bids.

d. Change order PCC 20118.4

The board may authorize the contractor to proceed with performance of the change or alteration without the formality of securing bids, if the cost so agreed upon does not exceed the greater of:

- The amount specified in PCC 20111 or 20114, whichever is applicable to the original contract, or
- Ten percent of the original contract price.

4. Energy conservation contracts GC 4217.10 thru 4217.6

School districts may request proposals from qualified persons for energy conservation contracts.

After evaluating the proposals, the public agency may award the contract on the basis of the experience of the local contractor, the type of technology, the cost, and any other relevant considerations.

5. Food

Perishable *foodstuffs* and seasonal commodities needed in the operation of cafeterias may be purchased by the school district. However, if the food purchase is for a year’s supply, then the contract has to be let to the lowest bidder.

6. Lease / Lease-Back – EC 17406

*The governing board of a school district, without advertising for bids, may let, for a minimum rental of one dollar ($1) a year, to any person, firm, or corporation any real property that belongs to the district if the instrument by which such property is let requires the lessee therein to construct on the demised premises, or provide for the construction thereon of, a building or buildings for the use of the school district during the term thereof, and provides that title to that building shall vest in the school district at the expiration of that term. The instrument may provide for the means or methods by which that title shall vest in the school district prior to the expiration of that term, and shall contain such other terms and conditions as the governing board may deem to be in the best interest of the school district.*
7. Purchase of Supplies through DGS

The governing board of any school district may purchase materials, equipment or supplies through the Department of General Services.

8. Purchase of Surplus Property from Federal Agencies

The governing board of any school district may purchase from the federal government or any agency thereof any surplus property, as defined in the Surplus Property Act of 1944, in any amount needed for the operation of the schools of the district without taking estimates or advertising for bids.

9. Sole source – legal opinion

There is legal opinion to support awarding contract without competitive bidding when there is sole source. A board resolution declaring it such is required for payment.

10. Waste Management – PRC 40059

The governing board of any district or local agency may elect to contract for waste management services with or without competitive bidding

11. Uniform Public Construction Cost Accounting

A public agency which has, by resolution, elected to become subject to the Uniform Public Construction Cost Accounting set forth beginning with PCC Section 22010, may utilize the bidding procedures set forth beginning PCC Section 22032.

C. Bonding Requirements

1. Public Contract Code sections 20111 and 20651 state that all bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bid security:
   a. Cash,
   b. A cashier's check made payable to the district
   c. A certified check made payable to the district
   d. A bidder's bond executed by an admitted surety insurer, made payable to the school district.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the district beyond 60 days from the time the award is made.
The purpose of a bid security is to guarantee that the successful bidder signs the contract after being awarded the bid. The bidder forfeits the bid security if the bidder fails to execute the contract. Bids for materials and supplies may require bid security at the discretion of the district.

2. Payment Bond for Public Works – Civil Code 9550

Every original contractor to whom is awarded a contract by a public entity involving expenditure in excess of $25,000 for any public work shall, before entering upon the performance of the work, file a payment bond with and approved by the officer or public entity by whom the contract was awarded. The payment bond is for materials and labors, not services performed.

A direct contractor who fails to file a payment bond with the district cannot be paid even when the job is completed satisfactorily and all claims for labor and materials have been satisfied. (CC 9552)

D. Stop Payment Notice

“Stop payment notice” means a written notice, signed and verified by the claimant or his agent stating in general terms all of the following:

- The kind of labor, services, equipment, or materials furnished or agreed to be furnished by such claimant;
- The name of the person to or for whom the same was done or furnished
- The amount in value, as near as may be, of that already done or furnished and of the whole agreed to be done or furnished

Application and release of Stop Payment Notice

Upon receipt of a Stop Payment Notice, it is the duty of the public entity to withhold from the direct contractor, or from any person acting in his behalf, an amount sufficient to answer the claim stated in the Stop Payment Notice and a reasonable cost of possible litigation. It is customary for school districts to withhold 125% of the Stop Payment Notice amount at the time a payment to a direct contractor.

Likewise, when a Release of Stop Payment Notice is received, the amount withheld previously will be refunded in the next payment due to the contractor.
Surety Bond – CC 9364

If the direct contractor or subcontractor disputes the correctness, validity, or enforceability of any stop payment notice, the public entity may, in its discretion, permit the direct contractor to file a bond executed by a corporate surety at 125% of the claim plus cost of suit in the action.

Upon filing of the bond, the public entity shall not withhold any money from the direct contractor on account of the Stop Payment Notice.

E. Retention

PCC 9203 requires districts to retain a minimum of 5% of the completed project to date on any progress payment as well as withhold not less than 5% of the contract price until final completion and acceptance of a project which will exceed a total of $5,000.00 when it involves construction, creation, alteration, repair or improvement of a public work.

F. Notice of Completion

Pursuant to Civil Code 9204, a notice of completion shall be recorded in the county recorder’s office within 15 days after completion. Final payment is made after 35 days to provide a grace period for any stop payment notices to be filed.
<table>
<thead>
<tr>
<th>EXPENDITURES EXCEEDING BID LIMITS</th>
<th>DOCUMENTS REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Initial Payment:</strong></td>
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<tr>
<td></td>
<td>1. Proof of prequalification of bidders for projects over $1M</td>
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<tr>
<td></td>
<td>2. Advertisement for bid</td>
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<tr>
<td></td>
<td>3. Board action awarding bid</td>
</tr>
<tr>
<td></td>
<td>4. Designation of sub-contractors</td>
</tr>
<tr>
<td></td>
<td>5. Duly signed contract</td>
</tr>
<tr>
<td></td>
<td>6. Payment bond (if over $25,000)</td>
</tr>
<tr>
<td></td>
<td>7. Certification of liability insurance</td>
</tr>
<tr>
<td></td>
<td>8. Escrow agreement (if applicable)</td>
</tr>
<tr>
<td></td>
<td>9. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative</td>
</tr>
<tr>
<td></td>
<td><strong>Progress Payments:</strong></td>
</tr>
<tr>
<td></td>
<td>1. Invoice matching items or work</td>
</tr>
<tr>
<td></td>
<td>2. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative</td>
</tr>
<tr>
<td></td>
<td>3. Escrow/bank statement showing balance in escrow account (balance should be sufficient to cover required retention)</td>
</tr>
<tr>
<td></td>
<td>4. Change orders, if any, with board approval</td>
</tr>
<tr>
<td></td>
<td>5. Stop payment notice(s)(if any)</td>
</tr>
<tr>
<td></td>
<td><strong>Final Payment:</strong></td>
</tr>
<tr>
<td></td>
<td>1. Invoice matching items or work</td>
</tr>
<tr>
<td></td>
<td>2. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative</td>
</tr>
<tr>
<td></td>
<td>3. Release of stop payment notice (if any)</td>
</tr>
<tr>
<td></td>
<td>4. Board acceptance of completed project</td>
</tr>
</tbody>
</table>
## COMMERCIAL CLAIMS DOCUMENTATION QUICK REFERENCE GUIDE

<table>
<thead>
<tr>
<th>DOCUMENTS REQUIRED</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5. Recorded notice of completion</strong></td>
</tr>
</tbody>
</table>

### DOCUMENTS REQUIRED

**California Uniform Public Construction Cost Accounting Act (CUPCCAA)**

[PCC 22030 – 22045](#)

- **Proof of election to CUPCCAA**
  - The State Controller’s office publishes a list of participating agencies. Commercial claims staff will verify that a requesting district is on this list. If a district is not listed, Commercial Claims will require:
    1. Board Resolution electing to become subject to CUPCCAA and;
    2. Notification of such election to the State Controller

- **Proof of competitive bidding (on applicable limits above $175,000)**
  3. Advertisement to bid. If informal bidding (above $45000 but less than $175000), then a notice provided to contractors on the Master List is sufficient.
  4. If formal bidding, board action awarding the bid

### Initial Payment:

In addition to the proof of election to CUPCCAA and proof of bidding for projects over $175,000, the following documents will be required:

- 5. Designation of sub-contractors or statement of “none”
- 6. Duly signed contract
- 7. Payment bond (if over $25,000)
- 8. Certification of insurance
- 9. Escrow agreement (if retention is deposited to an escrow agent)
- 10. Application and Certificate for Payment with the approval of the contractor,
For Progress Payments:

11. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative
12. Escrow/bank statement showing balance in escrow account if the retention is held in escrow (balance should be sufficient to cover required retention)
13. Change orders with board approval (Note: Each change order more than 10% of the original contract amount is subject to formal bidding)
14. Stop payment notice(s), if any

For Final Payment:

15. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative
16. Release of stop payment notice, if any
17. Board acceptance of completed project
18. Recorded notice of completion (Please refer to Notice of Completion section)

With the exception of items 3 & 4 that relate to bidding, **all other documents listed above (5-17) are required** from CUPCCA districts for expenditures more than $15,000 for public projects and construction services, or more than the bid threshold
adjusted every year for materials, equipment, or supplies as well as repairs and maintenance.

<table>
<thead>
<tr>
<th>DOCUMENTS REQUIRED</th>
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<tbody>
<tr>
<td><strong>TRANSPORTATION SERVICES</strong></td>
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<td>1. Advertisement to bid</td>
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<td>2. Board action awarding the bid</td>
</tr>
<tr>
<td>3. Contract</td>
</tr>
<tr>
<td>4. Invoice</td>
</tr>
</tbody>
</table>

| **CMAS/WSCA AND OTHER COOPERATIVE CONTRACTS** |
| **Initial Payment** |
| 1. Board Approval to use Cooperative Contracts in lieu of competitive bidding |
| 2. Board approval of contract or PO |
| 3. Payment bond if contract involves a public works expenditure in excess of $25,000 |
| 4. The contract number must be indicated on the purchase order and invoice (California Department of General Services (DGS) requires that purchase orders and contractor invoices show the Contract Number) |
| 5. Invoice |
| 6. Acknowledgement of receipt of goods/services |

Required if the contract is above $10,000 and the vendor is not a common carrier or a municipally owned transit system or a parent or guardian of the pupils to be transported.

| **Progress Payments** |
| 1. Purchase order and invoice with the contract number referenced |
| 2. Certification that products and price of item listed on the invoice were verified with the contract product and price |
| 3. Acknowledgement of receipt of goods/services |

| **Final Payments** |
1. If 5% retention was withheld on progress payments, district acceptance of completion is required to release retention on final payment.
2. If the contract had a payment bond, recorded notice of completion is required. If there were stop payment notices, include release of stop payment notices.

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<thead>
<tr>
<th>DOCUMENTS REQUIRED</th>
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</thead>
<tbody>
<tr>
<td><strong>EMERGENCY REPAIRS</strong></td>
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<tr>
<td>1. Emergency Resolution (Ref Bulletin 3458 for sample) approved by the Board</td>
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<tr>
<td>2. Approval of County Superintendent of Schools</td>
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<tr>
<td>3. Invoice</td>
</tr>
<tr>
<td>4. Signed Contractor Agreement</td>
</tr>
<tr>
<td>5. Payment Bond (if over $25,000)</td>
</tr>
<tr>
<td>6. Designation of Subcontractors</td>
</tr>
<tr>
<td>7. Certificate of Insurance</td>
</tr>
<tr>
<td>8. Progress Payment Invoice or Certification and Application for Payment with the approval of the contractor, architect, inspector, and district representative</td>
</tr>
<tr>
<td>9. 5% retention on progress payments</td>
</tr>
<tr>
<td>10. Stop Payment Notices (if any)</td>
</tr>
<tr>
<td>11. Release of Stop Payment of Notices (if any)</td>
</tr>
<tr>
<td>12. Board Acceptance of completed project</td>
</tr>
<tr>
<td>13. Recorded Notice of Completion</td>
</tr>
<tr>
<td>14. Change Orders, if any, will require Board Approval (Note: Change order more than 10% of the original contract amount is subject to formal bidding)</td>
</tr>
</tbody>
</table>
## COMMERCIAL CLAIMS DOCUMENTATION QUICK REFERENCE GUIDE

### SOLE SOURCE [PCC 3400]

**Prior to Contracting**
1. Board Resolution declaring a Sole Source Procurement Method in lieu of competitive bidding

**Before Start of Work**
2. Signed contract
3. Board approval of Contract or Purchase Order
4. Payment bond if contract involves a public works expenditure in excess of $25,000

### DOCUMENTS REQUIRED

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<th>SOLE SOURCE [PCC 3400]</th>
<th>Progress Payment</th>
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</thead>
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<td>1. Invoice approved for payment by authorized signatory</td>
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<tr>
<td></td>
<td>2. 5% Retention of amount due if contract involves a public works expenditure in excess of $5,000</td>
</tr>
<tr>
<td></td>
<td>3. Acknowledgement of receipt of goods/services</td>
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</table>

<table>
<thead>
<tr>
<th>LEASE AND LEASEBACK</th>
<th>Initial Payment</th>
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<tr>
<th>LEASE AND LEASEBACK</th>
<th>Initial Payment</th>
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</tr>
<tr>
<td>1.</td>
<td>Proof of site ownership</td>
</tr>
<tr>
<td>2.</td>
<td>Division of State Architects (DSA) Approval of Plans and Soils Investigation Report Summary</td>
</tr>
<tr>
<td>3.</td>
<td>Board Resolution Approving and Awarding Contracts/Agreements</td>
</tr>
<tr>
<td>4.</td>
<td>Signed Contracts/Agreements:</td>
</tr>
<tr>
<td></td>
<td>a) Site Lease</td>
</tr>
<tr>
<td></td>
<td>b) Facilities Lease with the Construction Services Agreement to include, among others, provisions on:</td>
</tr>
<tr>
<td></td>
<td>i) Labor code requirements, i.e., prevailing wages, work hours, and apprenticeship issues</td>
</tr>
<tr>
<td></td>
<td>ii) Guarantee obligations</td>
</tr>
<tr>
<td></td>
<td>iii) Termination of contract</td>
</tr>
<tr>
<td></td>
<td>iv) Resolution of non-performance</td>
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<td></td>
<td>v) Guaranteed Maximum Price</td>
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<td>5.</td>
<td>Performance and Payment Bond</td>
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<td>6.</td>
<td>General Insurance and Workers’ Compensation Insurance</td>
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<td>7.</td>
<td>Certification of Application for payment with approval of the contractor, architect, inspector, and district authorized representative</td>
</tr>
<tr>
<td>8.</td>
<td>Certification and Application for payment with the approval of the contractor, architect, inspector and district authorized representative</td>
</tr>
<tr>
<td>9.</td>
<td>Change Orders with Board Approval (should be within the context of the Contingency Fund provision)</td>
</tr>
<tr>
<td>10.</td>
<td>Stop Payment Notice(s), if any</td>
</tr>
<tr>
<td>Final Payment</td>
<td></td>
</tr>
</tbody>
</table>
COMMERCIAL CLAIMS DOCUMENTATION QUICK REFERENCE GUIDE

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<thead>
<tr>
<th>DOCUMENTS REQUIRED</th>
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<tr>
<td><strong>PURCHASE OF SURPLUS PROPERTY FROM THE FEDERAL GOVERNMENT</strong></td>
</tr>
<tr>
<td>1. Proof of exemption from bidding, i.e., letter or notice of surplus property from the Federal Government</td>
</tr>
<tr>
<td>2. Board Approval or Purchase Order with proof of ratification</td>
</tr>
<tr>
<td>3. Invoice</td>
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<tr>
<td>4. Proof of receipt</td>
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<tr>
<td><strong>PROFESSIONAL SERVICES</strong> [GC53060]</td>
</tr>
<tr>
<td>1. Invoice</td>
</tr>
<tr>
<td>2. Signed Contract or Purchase Order with proof of ratification by the board</td>
</tr>
<tr>
<td>3. Log-in sheet or proof of service received, i.e., signed timesheets</td>
</tr>
<tr>
<td><strong>INFORMATION SYSTEMS</strong> [PCC 20118.2] [EC 81651]</td>
</tr>
<tr>
<td>1. Board Resolution purchase under [PCC 20118.2]</td>
</tr>
<tr>
<td>2. Publication of Notice of Request for Proposals</td>
</tr>
<tr>
<td><strong>Prior to Contracting</strong></td>
</tr>
<tr>
<td><strong>Before Start of Work</strong></td>
</tr>
<tr>
<td>3. Signed Contract and/or Purchase Order</td>
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<tr>
<td>4. Board Approval of Contract and/or Purchase Order</td>
</tr>
<tr>
<td>5. Payment bond if contract involves a public works expenditure in excess of $25,000</td>
</tr>
<tr>
<td><strong>Progress Payment</strong></td>
</tr>
</tbody>
</table>

11. Application and Certificate for payment with the approval of the contractor, architect, inspector, district authorized representative
12. Release of Stop Payment Notice (if any)
13. Board Acceptance of Completed Project
14. Recorded Notice of Completion
### Commercial Claims Documentation Quick Reference Guide

<table>
<thead>
<tr>
<th>6. Invoice approved for payment by authorized signatory</th>
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<td>7. Retention of 5% of amount due if contract involves a public works expenditure in excess of $5,000</td>
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<td>8. Acknowledgement of receipt of goods/services</td>
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<tr>
<td><strong>Final Payment</strong></td>
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<tr>
<td>9. Invoice</td>
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<tr>
<td>10. Acknowledgement of receipt of goods/services</td>
</tr>
<tr>
<td>11. If 5% retention was withheld on progress payments, districts acceptance of completion is required to release retention on final payment</td>
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<tr>
<td>12. Release of Stop Notice if any</td>
</tr>
</tbody>
</table>

**If the contract had a payment bond, recorded notice of completion**

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<tr>
<th><strong>DOCUMENTS REQUIRED</strong></th>
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<td><strong>ENERGY CONSERVATION</strong></td>
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<td>[GC 4217.10 – 4217.16]</td>
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<table>
<thead>
<tr>
<th><strong>Prior to Contracting</strong></th>
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<tbody>
<tr>
<td>1. Board Resolution purchase under PCC 20118.2</td>
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<tr>
<td>2. Publication of Notice of Request for Proposals</td>
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<tr>
<th><strong>Before Start of Work</strong></th>
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<tbody>
<tr>
<td>3. Contract with Board Approval or Purchase Order with proof of Board ratification</td>
</tr>
<tr>
<td>4. Payment bond if contract involves a public works expenditure in excess of $25,000</td>
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</table>

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<tr>
<th><strong>Progress Payment</strong></th>
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<tbody>
<tr>
<td>5. Invoice approved for payment by authorized signatory</td>
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<tr>
<td>6. Retention of 5% of amount due if contract involves a public works expenditure in excess of $5,000</td>
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<tr>
<td>Sale and Leaseback [EC17456/17597]</td>
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<tr>
<td>1. Board Resolution purchase under [PCC 20118.2]</td>
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<tr>
<td>2. Publication of Notice of Request for Proposals</td>
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<tr>
<td>Before Start of Work</td>
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<tr>
<td>3. Signed Contract and/or Purchase Order</td>
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<td>4. Board Approval of Contract and/or Purchase Order</td>
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<tr>
<td>Final Payment</td>
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</table>

7. Acknowledgement of receipt of goods/services

**Final Payment**
8. Invoice approved for payment by authorized signatory
9. Acknowledgement of receipt of goods/services
10. If 5% retention was withheld on progress payments, district's acceptance of completion is required to release retention on final payment
11. Release of Stop Notice, if any
12. If the contract had a payment bond, recorded notice of completion
### Commercial Claims Documentation Quick Reference Guide

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<th>Department of General Services (DGS) Contracts [PCC10299(b)]</th>
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<tr>
<td>9. Invoice approved for payment by authorized signatory</td>
<td>1. Board Approval or Purchase Order with proof of ratification</td>
</tr>
<tr>
<td>10. Acknowledgement of receipt of goods/services</td>
<td>2. Invoice</td>
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<tr>
<td>11. If 5% retention was withheld on progress payments, districts acceptance of completion is required to release retention on final payment</td>
<td>3. Proof of receipt</td>
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<tr>
<td>12. Release of Stop Notice, if any</td>
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<td>13. If the contract had a payment bond, recorded notice of completion</td>
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<table>
<thead>
<tr>
<th>Food [EC 38083]</th>
<th>SUPPORTED DOCUMENTS</th>
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<td>1. Invoice</td>
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<tr>
<td>2. Board Approval or Purchase Order with proof of ratification</td>
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<tr>
<td>3. Proof of receipt</td>
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<thead>
<tr>
<th>Books and Instructional Materials (Object code 4100-4200)</th>
<th>SUPPORTED DOCUMENTS</th>
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<td>1. Invoice</td>
<td></td>
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<tr>
<td>2. Contract with Board approval or Purchase Order with proof of ratification</td>
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<td>3. Proof of receipt</td>
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<table>
<thead>
<tr>
<th>Materials and Supplies- (Non-Capitalized Equipment) (Object Code 4100-4400)</th>
<th>SUPPORTED DOCUMENTS</th>
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<td>2. Board approval or Purchase Order with proof of ratification</td>
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<td>3. Proof of Receipt</td>
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<thead>
<tr>
<th>Professional/Consulting Services (Object Code 5810-5899)</th>
<th>SUPPORTED DOCUMENTS</th>
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<tbody>
<tr>
<td>1. Invoice</td>
<td></td>
</tr>
<tr>
<td>2. Board approval or Purchase Order with proof of ratification</td>
<td></td>
</tr>
</tbody>
</table>
### Instructional Services/Non-Instructional Consultants

#### Sub-agreements for Services

1. Invoice
2. Board approval or Purchase Order with proof of ratification
3. Proof of service or event signed by the Department Head or Program Manager.
4. For initial payment, copy of signed contract.

$25,000 of each individual sub-agreement may be coded to Object 5800, with the remainder charged to Object 5100. The $25,000 limit applies for the duration of the sub-agreement.

### Appraisals

Object Code 5810-5819

1. Invoice
2. Board approved contract or Purchase Order with proof of ratification

### Special Assessments

Object Code 5820-5829

1. Invoice
2. Board approved contract or Purchase Order with proof of ratification

### Documents Required

### Legal Services

Object Code 5820-5829

1. Invoice
2. Board approved contract or Purchase Order with proof of ratification
3. Signed Contract

### Settlement Agreements

(Object Code 5820-5829)

*Districts are advised to pay Employee Settlement Agreements through payroll; refer to LACOE Bulletin 3695.*

1. Settlement agreement signed by both parties and the legal counsels for both parties; or Court Order
2. Board approval in open session per the Brown Act or, if approved in a closed session, report of the final action taken on the case number referenced in the closed session board minutes.
### COMMERCIAL CLAIMS DOCUMENTATION QUICK REFERENCE GUIDE

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<th>DOCUMENTS REQUIRED</th>
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<tr>
<td><strong>COMMERCIAL CLAIMS</strong></td>
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<td><strong>DOCUMENTATION</strong></td>
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<tr>
<td><strong>QUICK REFERENCE GUIDE</strong></td>
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<tr>
<th>TRAVEL AND CONFERENCES</th>
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<tr>
<td>[EC35044, 44032, 72423]</td>
</tr>
<tr>
<td>Object Code 5200-5299</td>
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</tbody>
</table>

1. Invoices and/or receipts
2. Travel Claims
3. Board approved contract or Purchase Order with proof of ratification of travel/conference
4. Board Travel and Mileage Policies may be required (if not on file)

<table>
<thead>
<tr>
<th>DUES AND MEMBERSHIPS</th>
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</thead>
<tbody>
<tr>
<td>[EC 35172]</td>
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<tr>
<td>Object Code 5300-5399</td>
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</table>

1. Invoice
2. Authorized List of Membership Organizations with Specific Board Approval or Purchase Order with proof of ratification

<table>
<thead>
<tr>
<th>INSURANCE (All forms of insurance other than employee benefits)</th>
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</thead>
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<tr>
<td>Object Code 5400-5499</td>
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</table>

1. Invoice
2. Insurance Policy
3. Board Approval or Purchase Order with proof of ratification

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<th>OPERATIONS AND HOUSEKEEPING SERVICES</th>
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<td>Object Code 5500-5599</td>
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1. Invoice
2. Contract with Board approval or Purchase Order with proof of ratification

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<th>RENTALS AND LEASES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Object Code 5610-5629</td>
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</tbody>
</table>

1. Invoice
2. Contract with Board Approval (recurring lease or long term lease)
3. Purchase Order with Board Approval (one-time lease only) if assigned, need assignment contract
4. Payment Schedule if not contained in contract

<table>
<thead>
<tr>
<th>REPAIRS, AND NON-CAPITALIZED IMPROVEMENTS</th>
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</thead>
<tbody>
<tr>
<td>Object Code 5610-5629</td>
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</table>

1. Invoice
2. Duly Signed Contract or Purchase Order
3. For payments of more than 95% of the contract price of $5,000 or more, district’s acceptance of completion of the project [PCC 9203]
# COMMERCIAL CLAIMS DOCUMENTATION QUICK REFERENCE GUIDE

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<th>DOCUMENTS REQUIRED</th>
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<th>ADVERTISING Object Code 5830-5839</th>
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<td>1. Invoice</td>
</tr>
<tr>
<td>2. Duly Signed Purchase Order or Board Approval</td>
</tr>
<tr>
<td>3. Copy of advertisement</td>
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<table>
<thead>
<tr>
<th>TUITION Object Code 7110-7199</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Invoice</td>
</tr>
<tr>
<td>2. Approval for payment by Authorized Signatory</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OTHER OPERATING EXPENSES Object Code 5890-5899</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Invoice</td>
</tr>
<tr>
<td>2. Duly Signed Purchase Order, Contract, or Board Approval</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>COMMUNICATIONS Object Code 5900-5998</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Invoice</td>
</tr>
<tr>
<td>2. Board approval or Purchase Order with proof of ratification</td>
</tr>
<tr>
<td>3. Signed Contract and/or Purchase Order</td>
</tr>
<tr>
<td>4. Board Approval of Contract and/or Purchase Order</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reimbursable/Replenishment of Petty Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>If type of transaction is auditable regardless of amount</td>
</tr>
<tr>
<td>i.e. construction, contracts, travel, - other documentation to prove compliance to applicable codes will apply (i.e. board approval, proof of bidding, payment bond). Refer to the transaction description for complete audit documentation requirements.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payroll Advance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Should be made through HRS system or approval from payroll unit to process through commercial warrant.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VENDOR PAYMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice or statement approved for payment by authorized signatory certifying that charges were authorized, verified, and are actual charges for the district</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Travel Advances and Reimbursable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Copy of brochure, pre-registration form, or agenda</td>
</tr>
<tr>
<td>2. Travel request or travel advance form with authorized signatures</td>
</tr>
<tr>
<td>3. Receipt</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CREDIT CARDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit cards would normally be used for the following expenditures:</td>
</tr>
<tr>
<td>• Gasoline</td>
</tr>
<tr>
<td>• Telephone</td>
</tr>
<tr>
<td>• Travel expenses</td>
</tr>
<tr>
<td>• Miscellaneous school supplies</td>
</tr>
<tr>
<td>1. Credit card statement.</td>
</tr>
<tr>
<td>2. Receipts or a certification by individual responsible for district credit card expenses that charges were reviewed. See example in Exhibit 6.</td>
</tr>
<tr>
<td>3. Excerpt from governing board minutes approving the credit card account and credit limit or purchase order with proof of board ratification</td>
</tr>
</tbody>
</table>
| OTHER TRANSFERS OUT | 1. Invoice  
|                     | 2. Approval for payment by an Authorized Signatory |
| Object Code 7210-7299 | These are transfers of resources to other districts and non-districts, i.e., transfers to Charter Schools, JPAs. |

| DEBT SERVICE | 1. Invoice  
|             | 2. Approval for payment by Authorized Signatory  
|             | 3. Certification of Participation Trust Agreement with the schedule of payment |
| Object Code 7639 | |

| OTHER FINANCING USES | 1. Inter-fund transfer authorization  
|                      | 2. Board Approval |
| Object Code 7630-7699 | |

| ABATEMENT OF INCOME | 1. Invoice  
|                     | 2. Board Approval |
| Object Code 8000 | |

| WITHHOLDINGS – PAYROLL | 1. Authorization from Payroll department to issue commercial warrant  
|                        | 2. Invoice |
| Object Code 9511-9518 | |

| PROPERTY/SITE OR LAND PURCHASE | 1. Invoice  
|                               | 2. Signed Contract with Board Approval  
|                                | 3. Escrow Agreement (if acquiring land) |
| Object Code 6100-6170 | |

| BUILDING/SITE IMPROVEMENTS OR BUILDING IMPROVEMENTS | 1. Invoice  
|                                                   | 2. Signed Contract with Board Approval  
|                                                    | 3. For payments of more than 95% on a contract amount of $5,000 or more, district’s acceptance of completion of the project [PCC 9203]  
|                                                    | 4. Payment bond if work to be done is over $25,000 [CC 9552] |
| Object Code 6200-6299 | |

| NOTE: | Consultant services for construction projects such as architect fees, design fees and building security will only require items 1 and 2 above |

| BOOKS AND MEDIA FOR SCHOOL LIBRARIES OR MAJOR EXPANSION OF SCHOOL LIBRARIES | 1. Invoice  
|                                                                           | 2. Duly Signed Purchase Order or Contract  
<p>|                                                                          | 3. Proof of receipt |
| | |</p>
<table>
<thead>
<tr>
<th>Object Code 6300-6399</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUIPMENT/EQUIPMENT REPLACEMENT</strong> Object 6400-6599</td>
<td>1. Invoice</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Duly Signed Purchase Order or Contract</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Proof of receipt</td>
<td></td>
</tr>
<tr>
<td></td>
<td>4. For payments of more than 95% on a contract above $5,000, district’s acceptance of completion of work [PCC 9203]</td>
<td></td>
</tr>
<tr>
<td></td>
<td>5. Payment bond if installation cost is over $25,000 [CC 9552]</td>
<td></td>
</tr>
</tbody>
</table>
1. What is the Uniform Public Construction Cost Accounting Act?

A program created in 1983 which allows local agencies to perform public project work up to $45,000 with its own work force if the agency elects to follow the cost accounting procedures set forth in the Cost Accounting Policies and Procedures Manual of the California Uniform Construction Cost Accounting Commission (Commission). The Uniform Public Construction Cost Accounting Act (Act) is enacted under Public Contracts Code Section 22000 through 22045 (hereafter abbreviated as PCC 22000-22045).

In addition, the Act provides for alternative bidding procedures when an agency performs public project work by contract.

a) Public projects of $45,000 or less may be performed by negotiated contract or by purchase order (PCC 22032(a)).
b) Public projects of $175,000 or less may be let to contract by the informal procedures set forth in the Act (PCC 22032(b)).
c) Public projects of more than $175,000 shall be let to contract by formal bidding procedures (PCC 22032(c)).

Every five years, the Commission shall consider whether there have been material changes in public construction costs and make recommendations to the State Controller regarding adjustments to the bidding procedure monetary limits (PCC 22020). Adjustments should be effective for the fiscal year that commences not less than 60 days following the State Controller's notification to all participating agencies.

2. What are the benefits of the program?

a) Increased force account limit
b) Informal bidding for projects between $45,001 and $175,000 which do not require advertising.
c) Reduces the number of formal bids.
d) Expedited contracting for small projects.

Many participants laud the program because it gives them more leeway in the execution of public works projects; has speeded up the awards process; has improved timeliness of the project completion; has eliminated considerable red tape and cumbersome paperwork relative to advertising and filing of reports; and has simplified administration. Many agencies have encountered only minimal challenges with the accounting requirements and the overhead portion. Moreover, where required, the adjustment was relatively simple; most of the required procedures were already actually in place, so there was no noticeable change in the existing operations. The Standard Accounting Codes Structure will satisfy the reporting requirements when used properly.
3. Is the Uniform Public Construction Cost Accounting Act mandatory for local agencies?

No. The Act is a voluntary program. However, it is available to all local agencies, counties, and cities, both general law and charter.

4. How does a local agency become subject to the Act?

The governing body must elect by resolution to become subject to the Act and file a copy of the resolution with the State Controller's Office (PCC 22030). Sample documents are available at: http://www.sco.ca.gov/ard_cuccac.html

5. May a local agency withdraw from the Act?

An agency may withdraw by filing a resolution of the agency’s election to withdraw with the State Controller's Office.

6. What is the California Uniform Construction Cost Accounting Commission?

A state commission created under the Act (PCC 22010). It consists of fourteen (14) members: thirteen (13) members are appointed by the State Controller and one is a designated member of the Contractors’ State License Board. Seven members represent the public sector (counties, cities, school districts, and special districts). Six members represent the private sector (public works contractors and unions). The Commission members receive no salary, but are eligible for reimbursement of their direct expenses related to the Commission. The Commission is responsible for administration of the Act. The State Controller provides limited staff and other support to the Commission (PCC 22015(a)).

7. What are the Uniform Public Construction Cost Accounting Procedures?

The cost accounting procedures were developed by the Commission. They are to be used to estimate costs for determining if a public project is required to be bid out and to capture and record actual costs when a public project is performed by the agency’s own work force. The procedures follow normal accounting in the industry and in many cases are not much different from those already in place at the agency. Sample forms are available in the CUCCAC Cost Accounting Policies and Procedures Manual.

School districts may use the Standard Accounting Code Structure to comply with the tracking requirements.

8. Are the cost accounting policies and procedures applicable for agencies whose work force only performs maintenance tasks as defined in the Act and whose public projects are all contracted out?

The cost accounting policies and procedures are only applicable for agencies that perform public project work by force account. This does not exclude from the program agencies whose public projects are all contracted out. In fact, they might want to review the benefits available and elect to participate now in the event conditions change at some time in the future.
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.

10. Can a local agency disqualify or exclude certain contractors from the Qualified Contractors List required pursuant to PCC 22034(a)?

Agencies may disqualify contractors from the Qualified Contractors List when a contractor fails to furnish information to meet the minimum criteria as established by the Commission pursuant to PCC 22034(a).

11. For agencies that do not maintain an informal bidders list, are they allowed to choose who will get notifications on information projects?

The Act requires that an informal bid project is either advertised and/or notifications are sent to all contractors on the informal bidders list. We have noticed that a very large percentage of signatory local public agencies do not maintain or update an informal bidders list and are sending notices to only one or two contractors.

There is no exemption to maintaining a list of bidders. PCC 22034(a). The public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission. If an agency is not maintaining a list or notifying all contractors or trade papers, then they are not in compliance with the Act.

The Public Contract Code states that participating agencies shall adopt an ordinance requiring that a list of all qualified contractors, identified according to categories of work be maintained. It does not require the list to be used however, and allows notifications to the required trade journals and exchanges be used as an alternate if desired. For agencies that elect to use the alternative authorized method of advertising, the purpose of the list is effectively negated.

If an agency is using the contractor’s list then they must send the notification to all contractors on the list for that category of work and the list must be maintained in accordance with the Manual.

12. What is the difference between qualifying contractors under UPCCAA and prequalification of contractors under PCC 20101?

Qualification of contractors is a process that allows contractors to register with the agency for notification of public works opportunities. The prequalification process under PCC 20101 is a more complex process that requires a standardized questionnaire and evaluation of contractors using standard scoring criteria.
13. Must a local agency: (1) Notify contractors pursuant to PCC 22034(b) if the contractor is believed not to have the skills, credentials, or experience to perform the work? (2) Consider bids submitted if the agency believes the contractor does not have the skills, credentials, or experience to perform the work?

a) If a contractor is on the Qualified Contractors List (PCC 22034(b)), the contractor must be notified by the agency of public projects for which he is licensed to perform.
b) All bids received from qualified contractors must be considered.

14. Does the Act allow flexibility in cases of great emergency and when repair or replacements are necessary to permit the continued conduct of the operations or services of a public agency?

PCC 22035 provides that in cases of great emergency the governing body may, by majority vote, proceed without adopting plans and giving notice to bids to let contracts. In addition, this section provides that the governing body may delegate to the appropriate agency manager the power to declare an emergency and/or proceed with repairs or replacements without approval by the board. PCC 22050 provides contracting procedures without giving notice for bids to let contracts for these emergencies.

15. Do the alternative bidding procedures apply only to public projects as defined in PC 22002(c) or can they be used for the following types of items:

a) Maintenance work to be performed by contract?
b) Purchase of heavy equipment?
c) Purchase of materials?

Pursuant to PCC 22003, a participating agency may use the alternative bidding procedures on maintenance work as defined in PC 22002(d), items 1-5. PCC 22003 is permissive and agencies can continue to exclude maintenance from the alternative bidding procedures. However, if an agency misclassifies a project ($45,001 or more) as maintenance and therefore, does not use the applicable bidding procedures, a review by the Commission may be conducted pursuant to PCC 22042(c).

The purchase of equipment and supplies fall under PCC 20111; however, when purchased or used as part of a public works project, the costs associated with the purchase or use become part of the project cost and must be considered when applying the bid limits under the Act.

16. What will membership in the Act cost my agency?

At the present, no required membership fees or dues are assessed. However, the Commission has never received direct state funding for a short period of its history. The State has indicated that the participating agencies, contractors, and unions that benefit from the Commission should be responsible for its funding. Therefore, in November 2004, the Commission asked member agencies, contractor’s associations, and construction related unions for voluntary donations to support the Commission. There may be additional requests for voluntary support. Any mandatory fees or dues would require legislation and would be for a nominal amount.
17. **What are the most common concerns?**

There are three leading areas of expressed concern and mostly all are quickly alleviated when addressed properly. These are:

a) Cost accounting policies and procedures;
b) Informal bidding procedures;
c) Accounting review procedures.

The cost accounting requirements follow those common to the construction industry. The informal bidding up to $175,000 is seen by the agencies as an asset enhancing project completion. Maintenance of a Qualified Contractor Bid List is routine, since interested contractors make it a point to be included on the list. While a review could potentially hold up a project for 30 days pursuant to PCC 22043, formal complaints have been rare in the Commission’s history.

18. **Does an agency have to calculate an overhead rate in order to apply the accounting procedures?**

Cities with populations of less than 75,000 may use an overhead rate of 20% of all direct costs in lieu of the overhead rate calculation specified in Section VI of the Cost Accounting Policies and Procedures Manual. Cities with a population of more than 75,000, counties, special districts, and school districts may use an overhead rate of 30% of all direct costs, in lieu of a calculated rate.

19. **When a local entity opts into the Act, does the Act supersede other contracting legal requirements such as statutory requirements for performance bonds, prevailing wages, and certificates of insurance, etc?**

The Act only supersedes the bidding procedures used once a public agency has adopted a resolution and notified the Controller. All other contracting requirements are applicable whether or not a public entity opts into the Act.

The specific mention of bidding procedures emphasizes the omission of other statutory requirements (such as bond payments, prevailing wages, addenda, change orders, etc.) and implies that their applicability is found in specific statutory provisions rather than the Act.

Therefore, the Act does not supersede other contracting requirements for performance bonds, prevailing wages, and certificates of insurance, etc.

20. **Can a signatory agency, claim to be 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 code applies.
21. If signatory agencies that are not following the advertising requirements in the Act, will the Commission address those agencies? Can a complaint be brought to the Commission?

PCC 22042 lists the categories of complaints that the Commission can consider.

22. PCC 20112 specifically requires school districts to advertise twice for a two week period, while PCC 22037 requires advertising once, 14 days in advance of the date of opening of bids. Which code applies to school districts?

PCC 22037. When the Act is in conflict with any other code, the Act shall supersede. Districts may choose to maximize their outreach by continuing to advertise twice.

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?

No.

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.

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, 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.

26. Does an agency by opting into the Act automatically bring

a) All departments of the agency into the Act?
b) Districts under control of the governing board into the Act?

When a local agency elects to become subject to the uniform construction cost accounting procedures, the entire entity is considered subject to the Act and no departments will be exempt.

Special Districts, which are governed by a board of supervisors or city council, are only subject if a separate election is made.
Additional inquiries and questions can be directed to:

ATTN: Lili Apgar  
State Controller's Office  
Division of Accounting and Reporting  
Local Government Policies Section or  
3301 C Street, Suite 740  
Sacramento CA, 95816  
LApgar@sco.ca.gov
Part I

Information for Adoption and Implementation of the California Uniform Public Construction Cost Accounting Act
Instructions for Adoption and Implementation
of the Uniform Construction Cost Accounting Procedures
by Local Agencies

(1) The Governing Board must elect by resolution to become subject to the uniform construction cost accounting procedures promulgated by the Controller pursuant to Public Contract Code Section 22019. The resolution shall specify that the local agency will meet the requirements prescribed in the California Uniform Public Construction Cost Accounting Commission's Cost Accounting Policies and Procedures Manual and state the effective date the agency will implement the accounting and bidding procedures.

(2) The Local Agency must notify the Controller in writing of the election to become subject to the uniform construction cost accounting procedures. A copy of the resolution shall also be filed with the Controller. Send it to: Office of State Controller, Division of Accounting and Reporting, Local Government Policies Section, P.O. Box 942850, Sacramento, CA 94250.

(3) When a local agency elects to become subject to the uniform construction cost accounting procedures, the entire entity is considered subject to the Act and no departments will be exempt. However, Special Districts, which are governed by a board of supervisors or city council, are subject only if a separate election is made.

(4) An informal bidding ordinance shall be enacted pursuant to Public Contract Code Section 22034.

(5) Once opting into the Act, participating agencies must always adhere to the terms of the Act until such time the agency formally opts out by resolution of its governing board. Having opted in, selective adherence to the terms of the Act is a violation. Where the Act is silent, existing statutes apply.

(6) The governing board may discontinue the agency's participation under the uniform public construction cost accounting procedures by adopting a resolution stating this fact. A copy of the resolution shall be filed with the Controller.

(7) The Controller shall notify the Commission of all local agencies electing to become subject to the uniform public construction cost accounting procedures. In addition, the Commission shall also be notified of local agencies electing to discontinue participation under these procedures.
## SAMPLE ELECTION RESOLUTION - MODEL

(This SAMPLE ELECTION RESOLUTION indicates election by a city council. However, the sample format can be used by any public agency governing body.)

RESOLUTION OF THE COUNCIL OF THE CITY OF __________
COUNTY OF __________, STATE OF CALIFORNIA IN THE MATTER OF:
UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING PROCEDURES
Resolution No. __________

I, __________, City Clerk of the City of __________, County of __________, State of California, do hereby certify that the following resolution, proposed by Councilmember __________, and seconded by Councilmember __________, was duly passed and adopted by the Council of the City of __________ at a regular meeting thereof assembled this ____ day of __________, __________, by the following vote, to wit:

**AYES:** Councilmember: 
**NOES:** Councilmember: 
**ABSENT:** Councilmember: 

Se [Signature]

City of __________, City Clerk

City of __________

THE CITY COUNCIL OF THE CITY OF __________ DOES HEREBY RESOLVE AS FOLLOWS:

WHEREAS, prior to the passage of Assembly Bill No. 1666, Chapter 1054, Statutes of 1983, which added Chapter 2, commencing with Section 22000, to Part 3 of Division 2 of the Public Contract Code, existing law did not provide a uniform cost accounting standard for construction work performed or contracted by local public agencies; and

WHEREAS, Public Contract Code Section 22000 et seq., the Uniform Public Construction Cost Accounting Act, establishes such a uniform cost accounting standard;

WHEREAS, the Commission established under the Act has developed uniform public construction cost accounting procedures for implementation by local public agencies in the performance of or in the contracting for construction of public projects; and

NOW, THEREFORE, the City Council of the City of __________, California, hereby elects under Public Contract Code Section 22030 to become subject to the uniform public construction cost accounting procedures set forth in the Act and to the Commission’s policies and procedures manual and cost accounting review procedures, as they may each from time to time be amended, and directs that the City Clerk notify the State Controller forthwith of this election.

This Resolution shall take effect upon its adoption.

PASSED AND ADOPTED this ____ day of __________, __________.

[Signature], Mayor

City of __________

ATTEST:

[Signature], City Clerk

City of __________
SAMPLE INFORMAL BIDDING ORDINANCE

(This SAMPLE INFORMAL BIDDING ORDINANCE indicates action by a county board of supervisors. However, the sample format can be used by any public agency governing body.)

ORDINANCE NO. __________

AN ORDINANCE OF THE BOARD OF SUPERVISORS OF THE COUNTY OF __________

ADDING SECTION ________ TO THE ORDINANCE CODE OF THE COUNTY OF __________

TO PROVIDE INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (Section 22000, et seq. of the Public Contract Code)

The Board of Supervisors of the County of _________________ do ordains as follows:

SECTION 1

Section ________ is hereby added to the County Code of the County of _________________ to provide as follows:

Section ________, Informal Bid Procedures. Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

Section ________, Contractors List. A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

Section ________, Notice Inviting Informal Bids. Where a public project is to be performed which is subject to the provisions of this Ordinance, a notice inviting informal bids may be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section __________, and shall be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the department/agency soliciting bids, provided however:

(1) If there is no list of qualified contractors maintained by the County for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.

(2) If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such contractor or contractors.

Section ________, Award of Contracts.

The County Purchasing Agent and the Director of Public Works are each authorized to award informal contracts pursuant to this Section.

SECTION 2

This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of the members of the Board of Supervisors voting for and against the same in the _________________, a newspaper of general circulation published in the County of _________________.

PASSED, APPROVED and ADOPTED by the Board of Supervisors of the County of _________________, State of California, this ______ day of __________, ______, by the following vote:

AYES:
NOES:
ABSENT:
PROCEDURE FOR ESTABLISHMENT AND MAINTENANCE
OF LIST OF QUALIFIED CONTRACTORS
PER SECTION 22034 OF THE PUBLIC CONTRACT CODE

1. During November each year, each Public Agency which has elected to become subject to the Uniform Public Construction Cost Accounting Procedures shall mail a written notice to all construction trade journals designated for that Agency under Section 22036, inviting all licensed contractors to submit the name of their firm to the Agency for inclusion on the Agency's list of qualified bidders for the following calendar year.

2. The notice shall require that the contractor provide the name and address to which a Notice to Contractors or Proposal should be mailed, a phone number at which the contractor may be reached, the type of work in which the contractor is interested and currently licensed to do (earthwork, pipelines, electrical, painting, general building, etc.) together with the class of contractor's license(s) held and contractor license number(s).

3. The Public Agency may create a new contractors list starting January 1st of each year. The Agency may include any contractor names it so desires on the list, but the list must include, at a minimum, all contractors who have properly provided the Agency with the information required under #2 above, either during the calendar year in which the list is valid or during November or December of the previous year.

The Commission recommends that the Agency automatically include the names of all contractors who submitted one or more valid bids to the Agency during the preceding calendar year.

4. A contractor may have his firm added to an Agency's contractors list at any time by providing the required information.

NOTE:
There is no exemption to maintaining a list of bidders. PCC 22034 (a) states the public agency shall maintain a list of qualified contractors, identified according to categories of work. Minimum criteria for development and maintenance of the contractors list shall be determined by the commission. If an agency is not maintaining a list or notifying all contractors or trade papers, then they are not in compliance with the Act.

The code states that participating agencies shall adopt an ordinance requiring that a list of all qualified contractors, identified according to categories of work be maintained. It does not require the list to be used. The code requires trade journals and exchanges be used for notification in all cases.

If an agency is using the contractor's list then they must send the notification to all contractors on the list for that category of work and the list must be maintained in accordance with the Manual.
Two recently enacted bills change public project bid limits under the Uniform Public Construction Cost Account Act, effective as of January 1, 2012.

Assembly Bill (AB) 720 (Chapter 683/2011), signed into law on October 9, 2011, amends Section 22032 of the Public Contract Code (PCC) to increase the dollar threshold limits governing bid procedures for public projects. The current limits and those that will be effective beginning in 2012 are shown in the following table:

<table>
<thead>
<tr>
<th>Code Section</th>
<th>Requirement</th>
<th>Project Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCC 22032(a)</td>
<td>No bid requirements. May be performed by employees of a public agency</td>
<td>Old limit: $30,000 or less</td>
</tr>
<tr>
<td>PCC 22032(b)</td>
<td>Informal bid procedures (PCC 22034)</td>
<td>Old limit: $125,000 or less</td>
</tr>
<tr>
<td>PCC 22032(c)</td>
<td>Formal bidding procedure</td>
<td>Old limit: &gt; $125,000</td>
</tr>
</tbody>
</table>

AB 943 (Chapter 110/2011), signed into law July 25, 2011, amends PCC 22034, which establishes requirements for locally-adopted informal bidding procedures. These procedures govern the selection of contractors to perform public projects with estimated costs of $125,000 or less ($175,000 or less beginning in 2012 under the provisions of AB 720). AB 943 increases the amounts specified in PCC 22034(f) that establishes an exception to the informal bid limit:

"If all bids received are in excess of $175,000 (was previously $125,000), the governing body of the public agency may, by adoption of a resolution by a 4/5 vote, award the contract, at $187,500 (was previously $137,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable."

AB 943 increases the old limits cited in PCC 22034(f) by $50,000, consistent with the change to PCC 22032 enacted through AB 720. Again, keep in mind that the provisions of these two bills will not take effect until January 1, 2012.

—Maureen Evans and Michele Huntoon, CPA
November 1, 2018

To: ALL PUBLIC AGENCIES SUBJECT TO THE TERMS OF THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT

SUBJECT: Notification Letter-Assembly Bill 2249 (Chaptered 169, Statutes of 2018)

The California Uniform Construction Cost Accounting Commission (CUCCAC) in agreement with the State Controller’s Office (SCO) recommended an increase to the bid limit threshold prescribed in Public Contract Code (PCC) 22032, which was signed into law. Pursuant to PCC 22020, and on behalf of the State Controller Betty T. Yee, the SCO would like to inform on the following changes effective as of January 1, 2019:

a) The change would allow projects costing $60,000 or less to be performed by employees of a public agency by force account, by negotiated contract, or by purchase order;

b) The change would allow projects costing up to $200,000 to be contracted by informal bidding procedures; and projects costing over $200,000 are subject to the formal bidding process.

The noted increases are pursuant to the provisions and benefits found in the Uniform Public Construction Cost Accounting Act (Act), which provides public agencies economic benefits and greater freedom to expedite public works projects. Agencies which elect to follow the cost accounting procedures set forth by the CUCCAC in its Cost Accounting Policies and Procedures Manual, will benefit from these increased limits by expediting delivery of public work projects and reduced bid processing costs. A new resolution adopting the change in legislation is not required if your agency is currently subject to the Act.

We encourage participating agencies to sign up on the SCO website for CUCCAC’s email subscription service to receive important information concerning CUCCAC updates and legislative changes via e-mail. For more details or to sign up for the email subscription services, please contact the Local Government Programs Services Division at LocalGovPolicy@sco.ca.gov or visit our website at https://www.sco.ca.gov/ard_cuccac.html.

Sincerely,

Sandeep Singh
Manager, Local Government Policy
Date:

LACOE, Commercial Claims
To: Division of School Financial Services

From: Director of Nutrition Services

AUTHORIZED FOR PAYMENT TO VENDOR
Subject: EXCEEDING $87,800 limit (Food Vouchers Only)

Voucher Date: ____________________________
Payee: ____________________________
Voucher No: ____________________________
Voucher Amount: ____________________________

This is to certify that all invoices for the above referenced voucher request are ready for review for Post Audit.

Authorized Signatures:

(Name) (Name)
Director, Nutrition Services Director, Fiscal Services
CONSTRUCTION CONTRACT
Date: January 27, 2014
Amount: $9,608,612.00 Nine Million Six Hundred Eighty Thousand Six Hundred Twelve & 00/100
Description:
Allied Health Building -

BOND
Date: March 5, 2014
Amount: $9,608,612.00 Nine Million Six Hundred Eighty Thousand Six Hundred Twelve & 00/100
Modifications to this Bond: See Section 18

CONTRACTOR AS PRINCIPAL
Company: AMG & Associates, Inc. (Corporate Seal)
Signature: Albert M. Giacominazzi
Name and Title: President

SURETY
Company: Travelers Casualty and Surety Company of America (Corporate Seal)
Signature: Megumi B. Gaines, Attorney-in-fact
Name and Title: 

FOR INFORMATION ONLY — Name, address and telephone
AGENT or BROKER:
Associated Insurance Services, Inc.
600 Hampshire Rd. #150
Westlake Village, CA. 91365
Tel: 805-495-4634

OWNER'S REPRESENTATIVE:

§ 1 The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to the Owner to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.

The Company executing this bond vouches that this document conforms to American Institute of Architects Document A312, 2010 edition.
CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Ventura

On March 5, 2014 before me, Jodie Lee Doner, Notary Public

personally appeared

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and realtachment of this form to another document.

Description of Attached Document

Title or Type of Document: Performance / Payment Bond

Document Date: March 5, 2014 Number of Pages: __________

Signer(s) Other Than Named Above: __________________________________________

Capacity(ies) Claimed by Signer(s)

Signer’s Name: __________________________________________

☐ Individual

☐ Corporate Officer — Title(s): __________________________

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: __________________________________________

Signer is Representing:

Travellers Casualty and

Surety Company of America

Jodie Lee Doner
Commission # 1958082
Notary Public - California
Ventura County
My Comm. Expires Nov 9, 2015
§ 2 If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies and holds harmless the Owner from claims, demands, liens or suits by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.

§ 3 If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Section 13) of claims, demands, liens or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials or equipment furnished for use in the performance of the Construction Contract and tendered defense of such claims, demands, liens or suits to the Contractor and the Surety.

§ 4 When the Owner has satisfied the conditions in Section 3, the Surety shall promptly and at the Surety's expense defend, indemnify and hold harmless the Owner against a duly tendered claim, demand, lien or suit.

§ 5 The Surety's obligations to a Claimant under this Bond shall arise after the following:

§ 5.1 Claimants, who do not have a direct contract with the Contractor,

1. have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and

2. have sent a Claim to the Surety (at the address described in Section 13).

§ 5.2 Claimants, who are employed by or have a direct contract with the Contractor, have sent a Claim to the Surety (at the address described in Section 13).

§ 6 If a notice of non-payment required by Section 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Section 5.1.1.

§ 7 When a Claimant has satisfied the conditions of Sections 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety’s expense take the following actions:

§ 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and

§ 7.2 Pay or arrange for payment of any undisputed amounts.

§ 7.3 The Surety’s failure to discharge its obligations under Section 7.1 or Section 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Section 7.1 or Section 7.2, the Surety shall indemnify the Claimant for the reasonable attorney’s fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.

§ 8 The Surety’s total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney’s fees provided under Section 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.

§ 9 Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner’s priority to use the funds for the completion of the work.

§ 10 The Surety shall not be liable to the Owner, Claimants or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to, or give notice on behalf of, Claimants or otherwise have any obligations to Claimants under this Bond.
§ 11 The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontractor's purchase orders and other obligations.

§ 12 No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the Project is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Section 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this Paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

§ 13 Notice and Claims to the Surety, the Owner or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.

§ 14 When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

§ 15 Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.

§ 16 Definitions

§ 16.1 Claim. A written statement by the Claimant including at a minimum:

.1 the name of the Claimant;
.2 the name of the person for whom the labor was done, or materials or equipment furnished;
.3 a copy of the agreement or purchase order pursuant to which labor, materials or equipment was furnished for use in the performance of the Construction Contract;
.4 a brief description of the labor, materials or equipment furnished;
.5 the date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
.6 the total amount earned by the Claimant for labor, materials or equipment furnished as of the date of the Claim;
.7 the total amount of previous payments received by the Claimant; and
.8 the total amount due and unpaid to the Claimant for labor, materials or equipment furnished as of the date of the Claim.

§ 16.2 Claimant. An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms “labor, materials or equipment” that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials or equipment were furnished.

§ 16.3 Construction Contract. The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.

§ 16.4 Owner Default. Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

§ 16.5 Contract Documents. All the documents that comprise the agreement between the Owner and Contractor.

§ 17 If this Bond is issued for an agreement between a Contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

The Company executing this bond vouches that this document conforms to American Institute of Architects Document A312, 2010 edition.
§ 18 Modifications to this bond are as follows:

(Space is provided below for additional signatures of added parties, other than those appearing on the cover page.)

CONTRACTOR AS PRINCIPAL
Company: (Corporate Seal)

SURETY
Company: (Corporate Seal)

Signature:
Name and Title:
Address:

Signature:
Name and Title:
Address:

The Company executing this bond vouches that this document conforms to American Institute of Architects Document A312, 2010 edition
POWER OF ATTORNEY

**Attorney-In-Fact No.** 226413

**Certificate No.** 005653557

**KNOW ALL MEN BY THESE PRESENTS:** That Farmington Casualty Company, St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company are corporations duly organized under the laws of the State of Connecticut, that Fidelity and Guaranty Insurance Company is a corporation duly organized under the laws of the State of Iowa, and that Fidelity and Guaranty Insurance Underwriters, Inc., is a corporation duly organized under the laws of the State of Wisconsin (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint

Michael Cresswell, Megan B. Gaines, Tim McClain, and Jodie Doner

of the City of __________, State of __________, these true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

**IN WITNESS WHEREOF,** the Companies have caused this instrument to be signed and their corporate seals to be hereto affixed, this __________ day of __________, 2013.

**State of Connecticut**

**City of Hartford ss.**

**By:**

Robert L. Rane, Senior Vice President

**Notary Public**

Marie C. Tetrault, Notary Public

On this the __________ day of __________, 2013, before me personally appeared Robert L. Rane, who acknowledged himself to be the Senior Vice President of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the 30th day of June, 2016.

58440-8-12 Printed in U.S.A.
This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as he or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or undertaking to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary, of Farmington Casualty Company, Fidelity and Guaranty Insurance Company, Fidelity and Guaranty Insurance Underwriters, Inc., St. Paul Fire and Marine Insurance Company, St. Paul Guardian Insurance Company, St. Paul Mercury Insurance Company, Travelers Casualty and Surety Company, Travelers Casualty and Surety Company of America, and United States Fidelity and Guaranty Company do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 5th day of March, 2014.

Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, call 1-800-421-3880 or contact us at www.travelersbond.com. Please refer to the Attorney-In-Fact number, the above-named individuals and the details of the bond to which the power is attached.
### Procurement Code Guide

<table>
<thead>
<tr>
<th>Type</th>
<th>Code</th>
<th>When Applicable</th>
<th>Additional Required Documentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-qualification</td>
<td>AB1565</td>
<td>Projects over $1M</td>
<td>Board acceptance of pre-qualification process</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Proof of advertisement to pre-qualify</td>
</tr>
<tr>
<td>Proof of Bidding</td>
<td>PCC 20111/20651</td>
<td>If over $15K for public works If over current bid limit for purchases</td>
<td>Listing of pre-qualified bidders</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>For waiver: Need proof of funding source</td>
</tr>
<tr>
<td>Lease-Leaseback</td>
<td>EC 17406/81336</td>
<td>Lease-Leaseback contract</td>
<td>Board approval to enter lease and leaseback</td>
</tr>
<tr>
<td>Retention</td>
<td>PCC 9203</td>
<td>If project cost over $5,000</td>
<td>Refer to Bulletin XXXX - Overview of Lease &amp; Leaseback</td>
</tr>
<tr>
<td>Payment Bond</td>
<td>PCC1101/ CC 9550/ CC9552</td>
<td>If project cost over $25,000</td>
<td>District acceptance of completion</td>
</tr>
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<td></td>
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<td>Board acceptance of completion</td>
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<td></td>
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<td>Recorded Notice of Completion</td>
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<tr>
<td>Performance Bond</td>
<td></td>
<td>Not Required</td>
<td>Acceptable surety</td>
</tr>
<tr>
<td>Notice of Completion</td>
<td>CC 9204</td>
<td>If payment is for more than 95% of the contract</td>
<td>Designation of Sub-Contractors</td>
</tr>
<tr>
<td>Sole Source</td>
<td>PCC 3400©</td>
<td>Exemption from bidding - purchases</td>
<td>Not necessary but usually comes with package</td>
</tr>
<tr>
<td>Emergency</td>
<td>PCC 20113</td>
<td>Exemption from bidding - public works</td>
<td>Necessary to be recorded timely; within 15 days from date of completion</td>
</tr>
<tr>
<td>Piggyback</td>
<td>PCC 20118/20652</td>
<td>Exemption from bidding - purchases</td>
<td>Justification and Board Resolution</td>
</tr>
<tr>
<td>Stop Payment Notice</td>
<td>CC 9358</td>
<td>When received from sub-contractor</td>
<td>Emergency Resolution approved by the Board and County Office</td>
</tr>
<tr>
<td>CUPCAA</td>
<td>PCC 22030 - 22045</td>
<td>Increase in bid limit - public works</td>
<td>Only applicable for purchases</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>District have to reduce amount due by amount of stop payment notice plus 25%</td>
</tr>
<tr>
<td>Inspector and Architect signature</td>
<td>EC 17280-17317</td>
<td>Estimated costs of $100,000</td>
<td>Need to provide bond or release of stop payment notice to pay in full</td>
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<td>Board Resolution</td>
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<td>State Controller’s Office List</td>
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<td>Only applicable to construction</td>
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<td>Certification for Payment or Document signed by Inspector and Architect</td>
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<td>Refer to LACOE Bulletin 4424</td>
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NOTICE INVITING BIDS
NOTICE IS HEREBY GIVEN that the Newhall School District ("District") is seeking sealed bids from qualified contractors for work on the following public-works-construction project to be completed in a multiple-prime contractor basis, as described in more detail in the other Bid Documents ("Project"); NSD ENES 031: Newhall Elementary School Auditorium Renovation

SCOPE OF WORK: The Project consists of the following categories (or "Bid Packages") of work:
- Package #Scope of Work License
- NSD15/16-37 Abatement and Demo B and ASB or C-21 and ASB
- NSD15/16-38 Earthwork, Grading and Site Clearance A or C-12
- NSD15/16-39 Concrete and Asphalt Paving C-08 and C-12 or A or B
- NSD15/16-40 General Construction B
- NSD15/16-41 Structural Steel & Metal Deck C-01
- NSD15/16-42 Flooring C-15
- NSD15/16-43 Painting C-33
- NSD15/16-44 Fire Sprinklers C-16
- NSD15/16-45 Plumbing C-36
- NSD15/16-46 HVAC-29
- NSD15/16-47 Electrical C-10
- NSD15/16-48 Doors, Frames, and Hardware B or D-23
- NSD15/16-49 Fire Alarm, Low Voltage, Sound & Video C-07 and C-10

ND515/16-50 Energy Management System C-07 or C-20

PLACE FOR SUBMITTING BIDS: Separate bids for each Bid Package must be submitted at the following location ("Place for Submitting Bids"): Newhall School District Attention: Ronna Wolcott 25375 Orchard Village Road, Suite 200 Santa Clarita, CA 91355

BID DEADLINE: Bids must be received at the Place for Submitting Bids not later than 2:00 p.m. on January 27, 2016 ("Bid Deadline").

BID DOCUMENTS: The Bid Documents will be available, electronically, and may be downloaded at no cost. To request Bid Documents, contact Alisha Fonder, Lundgren Management (661) 257-1805 (alisha.fonder@lundgren.net).

REQUIRED BID SECURITY: Each bid must be submitted with bid security as described in the Instructions For Bidders, CONTRACTOR LICENSE:
The class or classes of California contractor licenses required to bid on and perform the Work are specified in the table, above.

CONTRACTOR PREQUALIFICATION:
Prequalification pursuant to Public Contract Code Section 20111.6 is required in connection with the Project. The District prequalifies contractors on a quarterly or annual basis, so contractors must already be on a District list of prequalified contractors. The Instructions For Bidders describes the prequalification requirement in more detail.

PRE-BID CONFERENCE:
The District will conduct two mandatory pre-bid conference and site visit at 9:00 a.m. on Tuesday, January 12, 2016 and 9:00 a.m. on Thursday, January 21. Attendance at one of the two pre-bid conferences and site visits is mandatory, and any bidder that does not attend shall be deemed non-responsive. The conference initially will commence at Newhall Elementary School 24607 Walnut Street, Newhall, CA 91321.

SURETY BOND: As described in the General Provisions, the successful bidder must provide a Performance Bond and a separate Payment Bond, each in an amount equal to 100% of the total Contract Price, and each issued by a California-admitted surety as defined in Code of Civil Procedure Section 995.120.

LABOR LAW: The Project is a "public work" project that is subject, among other provisions, to Labor Code Sections 772 through 881 inclusive. As described in the Instructions For Bidders, each contractor (including subcontractors) must be registered with the California Department of Industrial Relations ("DIR") in accordance with Labor Code Section 1725.5, and bidders must provide evidence of registration for themselves and their subcontractors. Each worker on the Project must be paid not less than the applicable prevailing rates of per diem wages in the locality in which the Work is to be performed for each craft or type of worker needed to execute the Contract ("Prevailing Wages"). A copy of the applicable rates of Prevailing Wages is on file and available for review at the Place for Submitting Bids, and a copy will be posted at the Project Site. The Project is subject to compliance monitoring and enforcement by the DIR. The successful bidder will be required to post all job-site notices required by DIR regulations and other applicable law. If so specified in the Special Provisions, the District will conduct a mandatory conference for the purpose of describing labor-law requirements.

RETENTION: Substitution of securities in lieu of retention, pursuant to Public Contract Code Section 22300, will be permitted as provided in the General Provisions.

DEFINED TERMS: Capitalized terms used, but not defined, in this Notice Inviting Bids shall have the meanings ascribed to such terms in other of the Bid Documents.

Publication Date: September 12/31/2015 and 7/7/2016.
APPLICATION AND CERTIFICATE FOR PAYMENT

TO (OWNER):

APPLICATION NO.:

FROM (CONTRACTOR):

PERIOD TO:

Distribution to:

KA#:

ARCHITECT

CONTRACTOR

INSPECTOR

DESCRIPTION OF WORK

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief, the Work covered by this Application for payment has been completed in accordance with the Contract Documents, that all previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: _______________________________ Date: ______________________

State of: __________________________ County of: __________

Notary Public: __________________________

My Commission expires: __________________________

APPLICATION FOR PAYMENT

Application is made for Payment, as shown, in connection with the Contract. Continuation Sheet, AIA Document G702, is attached.

1. ORIGINAL CONTRACT SUM .................................. $ 
2. Net change by Change Orders .................................. $ 
3. CONTRACT SUM TO DATE (Line 1+2) .................. $ 
4. TOTAL COMPLETED & STORED TO DATE .......... $ (Column G on G702)

5. RETAINAGE:
   a. % of Completed Work $ __________ 
      (Column D+E)
   b. % of Stored Material $ __________ 
      (Column F on G702)
   Total Retainage (Line 5a + 5b or 
   Total in Column 1 of G702). $ __________ 

6. TOTAL EARNED LESS RETAINAGE .................. $ (Line 4 less Line 5 Total) 
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate) $ __________ 
8. CURRENT PAYMENT DUE $ __________ 
9. BALANCE TO FINISH, PLUS RETAINAGE .......... $ __________

CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect/Inspector certifies to the Owner that to the best of the he/she/it knowledge, information and belief, the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

Owner __________________________ Date: ______________________

Architect __________________________ Date: ______________________

Project Inspector ____________________ Date: ______________________

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

AMOUNT CERTIFIED ........................................ $ 

(Attach explanation if amount certified differs from the amount applied for.)
AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification is attached.
In Tabulations below, amounts are stated to the nearest dollar.
Use Column 1 on Contracts where variable retainage for line items may apply.

### WORK COMPLETED

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITEM NO.</td>
<td>DESCRIPTION OF WORK</td>
<td>SCHEDULED VALUE</td>
<td>FROM PREVIOUS APPLICATION (D + E)</td>
<td>THIS PERIOD</td>
<td>MATERIALS PRESENTLY STORED (NOT IN D OR E)</td>
<td>TOTAL COMPLETED AND STORED TO DATE (D + E + F)</td>
<td>% (G + C)</td>
<td>BALANCE TO FINISH (C - G)</td>
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</table>
# CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

**NOTICE:** THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

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<tr>
<td><strong>Job Location:</strong></td>
</tr>
<tr>
<td><strong>Owner:</strong></td>
</tr>
</tbody>
</table>

---

## Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

<table>
<thead>
<tr>
<th><strong>Maker of Check:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount of Check:</strong> $</td>
</tr>
<tr>
<td><strong>Check Payable to:</strong></td>
</tr>
</tbody>
</table>

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## Exceptions

This document does not affect any of the following:

Disputed claims for extras in the amount of: $ 

---

## Signature

<table>
<thead>
<tr>
<th><strong>Claimant's Signature:</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Claimant's Title:</strong></td>
</tr>
<tr>
<td><strong>Date of Signature:</strong></td>
</tr>
</tbody>
</table>

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7/1/12
CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

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<tr>
<td>Job Location:</td>
</tr>
<tr>
<td>Owner:</td>
</tr>
<tr>
<td>Through Date:</td>
</tr>
</tbody>
</table>

**Conditional Waiver and Release**

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

<table>
<thead>
<tr>
<th>Maker of Check:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of Check: $</td>
</tr>
<tr>
<td>Check Payable to:</td>
</tr>
</tbody>
</table>

**Exceptions**

This document does not affect any of the following:

1. Retentions.
2. Extras for which the claimant has not received payment.
3. The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:

   Date(s) of waiver and release:
   Amount(s) of unpaid progress payment(s): $

4. Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

**Signature**

<table>
<thead>
<tr>
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<tbody>
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<td>Claimant's Title:</td>
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<tr>
<td>Date of Signature:</td>
</tr>
</tbody>
</table>

7/1/12
COLTON JOINT UNIFIED SCHOOL DISTRICT
1212 Valencia Drive
Colton, CA 92324

PROPOSAL FORM FOR BID #09-01
PIGGYBACK CLAUSE AND SIGNATURE PAGE

**Piggyback Clause:** For the term of the contract and any mutually agreed extensions pursuant to this request for bids, at the option of the vendor, other school districts and community college districts, any public corporation or agency, including any county, city or town in the State of California, may purchase, lease-purchase, the identical item(s) at the same price and upon the same terms and conditions pursuant to Public Contact Code 20118 (K-12) and 20652 (Community Colleges).

The Colton Joint Unified School District waives its right to require such other districts and offices to draw their warrants in the favor of the District as provided in said Code sections.

Acceptance or rejection of this clause WILL NOT affect the outcome of this bid.

Piggyback option granted    

X    

(please initial)

Piggyback option not granted

The undersigned has read all of the conditions, instructions and specifications, is familiar with, understands, and will conform by furnishing and delivering the goods and/or services at the prices quoted above.

Name of Company    

Dave Bank Associates, Inc.    PO BOX 1088

Address

Justin, CA, 92781    800-869-2585    1-800-729-2483

City, State, Zip Code    Telephone    FAX

N/A

Cash Discount (if any)    Delivery (in days)

Peter Soares    President

Signature    Title
NOTICE OF COMPLETION

Notice is hereby given that:

1. The undersigned is owner or corporate officer of the owner of the interest or estate stated below in the property hereinafter described:

2. The full name of the owner is: WISEBURN SCHOOL DISTRICT

3. The full address of the owner is: 13530 AVIATION BOULEVARD, HAWTHORNE, CALIFORNIA 90250

4. The nature of the interest or estate of the owner is in fee.

5. The full names and full addresses of all persons, if any, who hold title with the undersigned as joint tenants or as tenants in common:

6. A work of improvement on the property hereinafter described was completed on FEBRUARY 26, 2009. The work done was:

CONSTRUCTION OF THE NEW JUAN CARRILLO ELEMENTARY SCHOOL

7. The name of the contractor, if any, for such work of improvement was:

BEST CONTRACTING SERVICES INC.

(Date of Contract)

8. The property on which said work of improvement was completed is in the City of HAWTHORNE

County of LOS ANGELES State of California, and is described as follows:

JUAN CARRILLO ELEMENTARY SCHOOL

9. The street address of said property is: 5308 W. 135TH STREET, HAWTHORNE, CALIFORNIA 90250

Dated: MARCH 27, 2009

Signature of party or corporate officer of owner named in paragraph 2 of this notice:

VERIFICATION

I, the undersigned, say: I am the SUPERINTENDENT, the declarant of the foregoing notice of completion; I have read said notice of completion and know the contents thereof; the same is true of my own knowledge. I declare under penalties of perjury that the foregoing is true and correct.

Executed on MARCH 27, 2009, at HAWTHORNE, California.

(Personal signature of the individual who is executing that the contents of the notice of completion are true)
ON ______________ before me, the
undersigned, a Notary Public in and for said State,
personally appeared

personally known to me (or proved to me on the
basis of satisfactory evidence) to be the person(s)
whose name(s) is/are subscribed to the within instru-
ment and acknowledged to that he/she/they executed
the same in his/her/their capacity(ies) and that by his/
she/their signature on the instrument the person(s), or
the entity upon behalf of which the person(s) acted,
exercised the instrument

WITNESS my hand and official seal

Signature ________________________________

(This area for official notarial seal)

NOTE: This document has important legal consequences, consultation with an attorney is encouraged with respect
to its use or modification. This form is intended to meet the requirements of California law as of January 1, 2005.
RELEASE OF STOP NOTICE
(Public or Private Work)

TO: __________________________________________

Construction Lender (or party with whom Stop Notice was filed)

(Address)

You are hereby notified that the undersigned claimant releases that certain Stop Notice dated

________________________________________, in the amount of $_________________________ against

________________________________________ as owner or public body and (if applicable) as prime contractor in connection with the work of improvement known as

________________________________________

________________________________________

________________________________________

in the City of ____________________________, County of ____________________________

State of California.

Date ____________________________

Name of Claimant ____________________________ (Full Name)

By ________________________________________

(Signature)

(Official Capacity)

© Associated General Contractors of California, Inc. 2005
Form AGCC-21
Revised 1/05

© ASSOCIATED GENERAL CONTRACTORS OF CALIFORNIA, INC.
# RETENTION INVOICE

<table>
<thead>
<tr>
<th>District Name</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>District Address</td>
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</table>

<table>
<thead>
<tr>
<th>Pay to:</th>
<th>Name of Escrow Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Address</td>
</tr>
<tr>
<td></td>
<td>Account no.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total amount of retention per Pay Application #</th>
<th>$</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Less - Total amount of previous payments</th>
<th>$</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Net amount due for deposit</th>
<th>$</th>
</tr>
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</table>

Approved by: 

*Construction Manager*

*District Authorized Representative*
STOP NOTICE
LEGAL NOTICE TO WITHHOLD CONSTRUCTION FUNDS
/Public or Private Work/ - (Per California Civil Code Section 3103)

To: ________________________________________________
(Name of owner, public body or construction fund holder)
(Address: If directed to a bank or savings and loan assoc., use address of branch holding funds)

Project: ___________________________________________
(Name)
(Address)

(City, State and Zip)

TAKE NOTICE THAT _______________________________________

whose address is __________________________________________

has performed labor and furnished materials for a work of improvement described as follows:


The labor and materials furnished by claimant are of the following general description:


The labor and materials furnished to or for the following party:


Total value of the whole amount of labor and materials furnished by claimant is: $ __________

The value of the labor and materials furnished to or for ________ is: $ __________

Claimant has been paid the sum of: $ __________

And there is due, owing and unpaid the sum of: $ __________

You are required to set aside sufficient funds to satisfy the claim of claimant for interest, court costs and reasonable costs of litigation, as provided by law. You are also notified that you shall be liable for a lien against any construction funds for this project which are in your hands.

Firm Name ________________________________________

(Owner)

By ________________________________________________

(Owner or agent of stop notice claimant MUST sign here and notify below)

VERIFICATION
I, the undersigned, say: __________________________________________________________

(President of, "A Person of", "Owner of", "Agent of", etc.)

the claimant named in the foregoing Stop Notice; I have examined the Stop Notice and know the contents thereof; the same is true of my own knowledge.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Evidence on: ____________________________ (Date document was signed)

at ____________________________, California

(name of city where stop notice signed)

(Penal signatory of the individual who is swearing that the contents of the Stop Notice are true)

REQUEST FOR NOTICE OF ELECTION
/Private Works Only/ - (Per California Civil Code Section 3159, 3161 or 3162)

If an election is made not to withhold funds pursuant to this stop notice by reason of a payment bond having been recorded in accordance with Sections 3235 or 3162, please send notice of such election and a copy of the bond within 30 days of such election in the enclosed preaddressed stamped envelope. This information must be provided by you under Civil Code Sections 3159, 3161 or 3162.

Signed ________________________________________________

(Claimant MUST initiate self-addressed stamped envelope)

SEE REVERSE SIDE FOR ADDITIONAL INFORMATION
ADDITIONAL INFORMATION ABOUT STOP NOTICE

Stop notice may be served by registered or certified mail with same effect as by personal service.

In the case of public job, stop notice shall be filed in the office of the controller, auditor or other public disbursing officer whose duty it is to make payments under the public contract: or with commissioners, managers, trustees, officers of a board of supervisors, board of trustees. Civil Code 3632.

In case of private job (other than public work) stop notice shall be delivered to the owner or to the responsible officer or person at office or branch of contractor who lends or administers funds.

A stop notice is good only at the filing of a preliminary notice 20 days after the claimant has furnished work or materials to the jobsite. Later filed preliminary notice for public and private work vary, so check with a lawyer if you are uncertain that you have complied with notice requirements.

A bond may be required, one and one fourth times the amount of the stop notice. A bond must accompany a stop notice served on a construction contractor. For private jobs - a bond is not required on public jobs. For a stop notice served on an owner for private jobs.

Once a stop notice is served, there are strict legal statutes of limitation dealing when a lawsuit to enforce the stop notice must be filed. Consult your attorney for the limitations that apply to your situation.

Consult a lawyer if doubt the form's fitness for your purpose and use.
UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAIRED FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

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<th>Unconditional Waiver and Release</th>
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<td>This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for all labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. The claimant has been paid in full.</td>
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7/1/12
NOTICE TO CLAIMANT: THIS DOCUMENT WAIVES AND RELEASES LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL WAIVER AND RELEASE FORM.

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### Unconditional Waiver and Release

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$______________________________

### Exceptions

This document does not affect any of the following:

1. Retentions.
2. Extras for which the claimant has not received payment.
3. Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.

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Resolutions No. ____________

RESOLUTION OF THE GOVERNING BOARD OF THE ________________________________ SCHOOL DISTRICT REGARDING SOLE-SOURCE PROCUREMENT-TYPE CONTRACT

NOTWITHSTANDING the provisions of the California Public Contract Sections 20111 and 20651, the Governing Board declares that it acted properly in negotiating to contract with:

______________________________________________, as sole-source provider, to
_____________________________________________________________________.

WHEREAS, the Governing Board finds it practically impossible to obtain what is required by Sections 20111 or 20651 of the California Public Contract Code of observing the competitive bidding requirements.

WHEREAS, the Governing Board finds that competitive proposals would not induce any benefit or advantage for the school district.

WHEREAS, the Governing Board finds that this unique product or services is the only one which properly meet the needs of the school district.

WHEREAS, the Governing Board determined that its extremely specialized nature shall be exempt from Sections 20111 or 20651 of the California Public Contract Code.

WHEREAS, that the Governing Board had cautiously exercised due diligence in determining that the product or services is sole-source, should it later be challenged in court.

BE IT THEREFORE RESOLVED, that this is a true and complete copy of the resolution adopted by the governing board at a meeting held on ________________.

Signature

Clerk of the Board of Trustees or Secretary of the Board of Education

Date Signed
JUSTIFICATION FOR USE OF SOLE SOURCE CONTRACTING PROCEDURES

The service or material listed on (Document number)________________ is sole source and competition is precluded for reasons indicated below. There are no substitutes available for this material.

Restricted to the following source. Provide original manufacturer’s name. (If a sole source manufacturer distributes via dealers, ALSO provide dealer information.)

Manufacturer: ____________________________________________________________
Manufacturer POC & Phone Nr._____________________________________________
Mfr. Address_____________________________________________________________
Manufacturers Dealer/Rep_________________________________________________
Dealer/Rep Address/Phone Number__________________________________________

Description of the item or service required, the estimated cost, and required delivery date.
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

The requested material or service represents the minimum requirements of the government

FILL IN ALL APPLICABLE BLANKS BELOW

The material/service must be compatible in all aspects (form, fit and function) with existing systems presently installed. Describe the equipment you have now and how the new item/service must coordinate, connect, or interface with the existing system.
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

A patent, copyright, or proprietary data limits competition. The proprietary data is:
____________________________________________________________________________

-These are “direct replacements” parts/components for existing equipment. Identify and briefly describe the existing equipment below:
-Other information to support a sole-source buy:
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

I CERTIFY THAT STATEMENTS CHECKED, AND INFORMATION PROVIDED ABOVE, ARE COMPLETE AND CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT THE PROCESSING OF THIS SOLE-SOURCE JUSTIFICATION PRECLUDES THE USE OF FULL AND OPEN COMPETITION.

Signature________________________________ Activity________________________________
Title___________________________________ Date_______________________________________

Contracting Officer Signature___________________________ Date__________________
GUIDELINES FOR SOLE SOURCE JUSTIFICATIONS

1. Technical and requirements personnel are responsible for providing and certifying as accurate and complete necessary data to support their recommendation for other than full and open competition. The justification must demonstrate that only one company can perform. The following are examples of bases for sole source acquisitions:
   a. The supplies or services to be acquired are unique to a contractor.
   b. Time is of the essence and only one known source can meet the Government’s needs within the required timeframe.
   c. Data is unavailable for competitive procurement.
   d. It is necessary that the item being acquired from the one source be compatible and interchangeable with existing equipment.

2. The following elements must be addressed in the sole source justification:
   a. State clearly the Government’s requirements. Make sure that the entire requirement is covered by the justification.
   b. Explain why the contractor is the only company that can meet the Government’s requirement. The documentation necessary to adequately substantiate the two most common bases of sole source is discussed below:
      (1) If the contractor has a unique capability, whether it be an item or service, it is insufficient to simply say that the contractor is unique. If the item is unique to the contractor, the unique characteristics must be set forth. If the contractor has unique expertise, that expertise must be described. If the contractor has unique equipment or facilities or he has proprietary data, it must be explained.
      (2) If only one contractor can perform within the required timeframe, the timeframe must be explained:
         (a) provide the date by which the supplies or services must be delivered.
         (b) Indicate how that date was determined and its significance.
         (c) Indicate the impact of delay beyond that date in terms of program schedules, milestones, etc.
         (d) State how long it would take another contractor to acquire the capability to perform (learning period), how much it would cost another contractor to get up to speed, and if appropriate, what it would cost the Government in terms of dollars and manhours to get another contractor up to speed. State the bases for the above estimates.
   c. State how the decision to go sole source was reached. Generally, technical personnel’s knowledge and experience can be used to support sole source. The following are examples of documentation supporting this element:
      (1) Explain requisition originator’s experience that would indicate that he knows that only one source can perform.
      (2) Explain that technical publications, symposiums, or conferences clearly indicate that only one company can perform. List publications read and symposiums and conferences attended.
      (3) State what is being done to foster future competition.
      (4) Justification must be signed and dated.

2. There are several other points to be made:
   a. The two most often cited bases for sole source are uniqueness and timeframe. There are often confused and inappropriately interchanged. If a contractor is unique and if his uniqueness is adequately substantiated, a discussion of timeframe is inappropriate. If the basis for sole source is timeframe, a discussion of uniqueness should not be made or alluded to. Timeframe does not make a contractor unique.
   b. In cases where an unsolicited proposal for R&D has been received, the justification limiting acquisition to a single source must verify that the proposal represents the product
of original thinking by the submitting contractor and could not be obtained competitively without revealing the original thinking.

c. Statements that a contractor has the best capability, offers the lowest price, or is the only qualified source are not bases for sole source. Such determinations can only be made through competitive acquisitions. A strong presentation which merely establishes that the recommended source is most highly qualified to perform but does not establish why other sources cannot perform is unacceptable.

d. Incumbency does not justify sole source.

e. Administrative delay or lack of adequate advanced planning do not create an urgency that justifies sole source acquisition.
December 6, 2011

TO: Business Administrators  
Los Angeles County School and Community College Districts

FROM: Gerald Yarbrough, Business Advisory Services Manager  
Regionalized Business Services  
Division of Business Advisory Services

SUBJECT: Contract Payment Retention

Senate Bill 293 (Chapter 700, Statutes of 2011) added Section 7201 to the Public Contract Code, stating that the contract payment retention amount withheld by any public agency from the original contractor shall not exceed five percent. This provision also applies to any payment between an original contractor and a subcontractor, and between subcontractors. It also provides that the total retention amount cannot exceed five percent of the contract amount.

Districts may retain an amount greater than five percent by defining that the project is substantially complex. For a project to be defined as substantially complex, the governing board of the school district, or its designee, must approve this finding at a regularly scheduled board meeting. This finding and the retention amount must be included in the bid documents before the bid is posted.

The new law also reduces the period of time from ten days to seven days after receiving a progress payment that a prime contractor must pay the subcontractor.

These regulations take effect January 1, 2012, and sunsets January 1, 2016.

This bulletin is posted on the Los Angeles County Office of Education’s Web site at the following address:

www.lacoe.edu/bas

Select “Bulletins” on the left side of the screen under the heading “BAS Resources,” and then use the “Find” function to locate a specific bulletin by number or keyword.

School districts may contact me with any questions regarding this bulletin at (562) 922-6122, or by e-mail at Yarbrough_Gerald@lacoe.edu.

Approved:
Melvin Iizuka, Director  
Division of Business Advisory Services

GY:rb

Info. Bul. No. 128  
BAS-58-2011-12
Bulletin #270

March 22, 2006

TO: Business Administrators
    Los Angeles County School and Community College Districts

FROM: Gerald Yarbrough, Business Advisory Services Manager
    Regionalized Business Services
    Division of Business Advisory Services

SUBJECT: Attorney General’s Opinion Regarding Piggyback Contracts and Permanent Modular Construction

At the February 2005 State Allocation Board (SAB) meeting, the SAB requested that Office of Public School Construction (OPSC) request a formal opinion from the Attorney General regarding the use of Public Contract Code Section 20118 to acquire and install factory-built modular building components that result in the assembly of permanent schools without further competitive bid.

**Attorney General’s Opinion**

The Attorney General opined that “A school district may not, without advertising for bids, contract with another public agency to acquire factory-built modular building components for installation on a permanent foundation.”

The Attorney General’s opinion only refers to a facility comprised of multiple pre-manufactured building components, such as separate wall and floor systems, that are transported to a site where components are installed on a permanent foundation.

The opinion **does not** address portable or relocatable classrooms as defined by Education Code Section 17070.15(j), which are typically factory-built as two complete building modules that are connected on-site and placed on temporary foundations.

**SAB Action**

As a result of this opinion, the SAB has ruled that any contracts for modular construction on a permanent foundation signed after **January 25, 2006**, must be competitively bid.
Facility Program projects with construction contracts of this type, signed prior to January 25, 2006, will continue to be considered for funding.

At its February 22, 2006, meeting, the SAB directed staff to provide additional notice to ensure that school and community college districts are aware of this ruling. A copy of the opinion can be viewed at the OPSC Web site: www.opsc.dgs.ca.gov.

If you have any questions regarding this bulletin, please call me at (562) 922-6122.

Approved:
Deborah L. Simons, Director
Division of Business Advisory Services

GY:mc

Info. Bul. No. 270
BAS-102-2005-06
TO: Business and Accounting Administrators
Los Angeles County K-12 Schools and Community College Districts
and other Local Educational Agencies

From: Nkeiruka Benson, Disbursement and Financial Systems Manager
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Minimum Audit Requirements for Settlement Agreements

The purpose of this bulletin is to provide audit documentation requirements for settlement agreements. The following items are the required audit documentation for settlement agreements.

1. A copy of the settlement agreement that contains the signatures of:
   a. District Representative
   b. Plaintiff/Claimant
   c. District’s Counsel
   d. Plaintiff’s Attorney (if any)

   Please note that an agreement can be edited (redacted) at the district’s option to preserve confidentiality, provided that enough information remains to verify the settlement amount, settlement terms and conditions, and the specific payee.

2. Documentation of District Board Approval that:
   a. Is approved or reported in open session, per the Brown Act.
      i. If approved in a Closed Session, documentation that reports final action taken in the open session with respect to the settlement agreement.
   b. Provides enough detail to match the approval with the settlement agreement.
      We recommend, to preserve confidentiality, that the case number be referenced in open session.
      i. If a case number is included on the document and included in the Board minutes, there is no need to reference the claimant or amount of the settlement in open session, or
      ii. A “settlement number” determined by the district is acceptable if it is referenced in the settlement agreement.
Employee Settlements treated as wages per IRS ruling 2004-109 and 2004-110, must be made through the payroll system to ensure the payment meets IRS and retirement reporting regulations. Under the Internal Revenue Service Revenue Rulings, the amount of a settlement as consideration for cancellation of an employment contract and surrender of contract rights is ordinary income, and wages. Unless the settlement is due to physical injuries, the total amount due should be net of applicable FICA, FUTA, and Federal income tax withholding. If the payment is required to be treated as employee wages and an employer does not do so, the employer can be subject to additional tax liability. Specifically, the employer can be liable to pay (i) the amount of the income taxes that should have been withheld, (ii) both the employer and the employee shares of the FICA taxes, (iii) interests, and (iv) penalties amounting to 20% or more of the non-withheld taxes.

3. Employee settlement agreements paid through commercial warrant, will require a letter from someone in authority at the District (CBO, Asst. Superintendent, Business Services) acknowledging the following:
   a. The district can be held liable for failure to properly issue a 1099.
   b. The district (as the employer or prior employer) can be held liable for failure to withhold income, FICA and FUTA taxes if a settlement is determined taxable to the plaintiff on a W-2 and a B warrant is issued.


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On the SFS home page, under Resources, select Bulletins. Type in the bulletin number or keyword to find the specific bulletin you need to download.

If you have any questions regarding this bulletin, please contact Luz Spanks at (562) 922-6454 or Spanks_Luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

NB:lt

Info. Bul. No. 3695
SFS-A27-2013-2014
January 24, 2014

TO: Business Administrators
Los Angeles County School and Community College Districts

FROM: Nkeiruka Benson, Disbursements and Financial Systems Manager
Division of School Financial Services

SUBJECT: Overview of Lease and Leaseback Delivery Method of Public School Construction Projects

The purpose of this bulletin is to provide information regarding the Lease and Leaseback Delivery Method (LLB) for public school construction projects, the policies adopted by the County Office regarding this method, and the minimum audit documentation requirements for voucher payments.

Overview of Lease-Leaseback

Available to school districts in Los Angeles County, the Lease-Leaseback method is an alternative option for construction/modernization projects.

Education Code (EC) Section 17406 authorizes school districts to enter into agreements, without advertising for bids, with any person, firm, or corporation on the terms and conditions as the governing board may deem to be in the best interest of the school district.

Education Code (EC) Section 81336 authorizes community college districts to also enter into lease and leaseback agreements, but unlike EC 17406, the agreement entered shall be with the lowest responsible bidder.

In LLB, the district enters into two leases with the builder for the project to create the lease-leaseback structure—a Site Lease and a Facilities Lease. The Site Lease is the document in which the District will lease the underlying site, or portion thereof, to the builder for a minimum lease of $1 per year. The Facilities Lease is the document the builder will use to sublease the site and the project to the District. At the end of the lease term, the District will retain the facility without future lease terms.

Requirements before entering into Lease-Leaseback Agreements

While EC 17406/81336 authorizes the district to enter into LLB agreements, there are statutes to be complied with before entering into such agreements.

EC 17402/81332 – Before the governing board enters into a lease, it shall have available a site upon which a building to be used by the district may be constructed and shall have complied with the provisions of law relating to the selection and approval of sites.
EC 17417/81344 requires the board, in a regular open meeting, to adopt a resolution declaring its intention to enter into a lease or agreement pursuant to this article.

The resolution shall contain the following:
1. Describe the available site upon which the building will be constructed.
2. Describe the building to be constructed.
3. State that the building will be constructed according to the plans and specifications adopted by the governing board.
4. State the minimum yearly rental, and the maximum number of years (no longer than 40 years or remaining life of building whichever is shorter).
5. State that the proposals submitted shall designate the amount of rental to be paid by the district.
6. Fix a time, not less than three (3) weeks thereafter, for a public meeting of the Board to receive sealed proposals from any person, firm, or corporation.
7. The general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality obtained from Director of the Department of Industrial Relations (EC 17424/81350)

Minimum Contract Provisions

The following Contract Provisions should be included in the LLB agreements:

1. The agreement should state that the general prevailing rates will be paid as required in EC 17424/81350.

2. A provision on progress payments to the builder for the construction services in a sum equal to no more than 95% of the value of construction performed up to the last day of previous month as required in Public Contract Code 9203. Due to State Bill 293, retention cannot be more than five percent (5%) of the completed portion of the contract. If the district plans to withhold a higher retention amount, it must make a finding that the project is “substantially complex” thus requires a higher retention amount.

3. Guaranteed Maximum Sum, the total sum to be paid to the builder for the project, including architectural fees and related design costs. This may also include or refer to a separate contingency fund. This contingency fund may be utilized for: (1) any unforeseen costs which are within the scope of the project; (2) any work modifications as defined in the construction provisions documents; or (3) any additional unforeseen costs associated with the financing of the Project. In addition, the Contingency Fund may be increased from any cost savings, as provided in the Construction Provisions. The LLB agreement should specify the purposes for which the contractor contingency fund may be used. Any funds remaining in the Contingency Fund after the completion of the project must be returned to the school district, as provided in the Construction Provisions.

4. The Payment Bond should be in place before commencement of any work (Civil Code 9550 and 9554). The Payment Bonds should be equal to the Guaranteed Maximum Sum. This amount should be paid by the builder and be included as a line item in the Guaranteed Maximum Sum. The project should be fully bonded. Bond arrangements should be discussed prior to finalizing the Construction Provisions.
5. The Construction Provisions must include adequate insurance and indemnification language to protect the school district.

An in-depth discussion of the Lease-Leaseback Construction Delivery Method, presented by Atkinson, Andelson, Loya, Ruud & Romo, can be found at the link below:


Challenges

The LLB method has been challenged in various sectors because of the seemingly questionable assurance that the awarding of contracts does not favor favoritism, it is fair, free of fraud, and that public funds are being used in an efficient and cost-effective manner. Districts are advised to take precautionary measures when entering into these agreements. The following measures can minimize challenges to the LLB delivery method:

- Use a third party to review the documents.
- Seek legal counsel to determine the viability of this method and in the preparation of documents.
- Adopt a governing board resolution to approve the LLB agreements and state that the agreements were reviewed and that the governing board found the terms to be in the best interest of the district.

Minimum Audit Requirements in Commercial Claims Unit to approve vouchers related to the Lease and Leaseback Project

Planning Stage

1. Notice of District Intent (Attachment 2)
2. Board Resolution to enter into a Lease and Leaseback agreement (Attachment 3)
3. Proof of ownership of site
4. Division of State Architects (DSA) Approval of Plans and Soils Investigation Report Summary

Initial Payment

1. Board Action (or Resolution) Approving and Awarding of Contracts/Agreements
2. Duly Signed Contracts/Agreements
   a. Site Lease
   b. Facilities Lease with the Construction Services Agreement to include, among others, provisions on:
      i. Labor code requirements, i.e., prevailing wages, work hours, and apprenticeship issues
      ii. Guarantee obligations
      iii. Termination of contract
      iv. Resolution of non-performance
   c. Payment Schedule
   d. Guaranteed Maximum Price
3. Performance and Payment Bond
4. Certification of Insurance
5. Certification of Application for payment with approval of the contractor, architect, inspector, district authorized representative
Overview of Lease and Leaseback Delivery Method of Public School Construction Projects
January 24, 2014
Page 4

For Progress Payments

1. Certification and Application for payment with the approval of the contractor, architect, inspector, district authorized representative
2. Change Orders with Board Approval (should be within the context of the Contingency Fund provision)
3. Stop Payment Notice(s) (if any)

For Final Payment

1. Release of Stop Payment Notice (if any)
2. Board Acceptance of Completed Project
3. Notice of Completion

This bulletin and its attachments are posted on the LACOE Web site at the following address:
www.lacoe.edu/bulletins

Type in the bulletin number or keyword to find the specific bulletin you need to download.

If you have any questions regarding this bulletin, please contact Luz Spanks at (562) 922-6454 or Spanks_Luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

Info. Bul. No. 3711
SFS-A35-2013-2014
Education Codes (EC) Relating to Lease and Leaseback Agreements

A. Right of Board to enter into a Lease and Leaseback agreement

Education Code 17406
Notwithstanding Section 17417, the governing board of a school district, without advertising for bids, may let, for a minimum rental of one dollar ($1) a year, to any person, firm, or corporation any real property that belongs to the district if the instrument by which such property is let requires the lessee therein to construct on the demised premises, or provide for the construction thereon of, a building or buildings for the use of the school district during the term thereof, and provides that title to that building shall vest in the school district at the expiration of that term. The instrument may provide for the means or methods by which that title shall vest in the school district prior to the expiration of that term, and shall contain such other terms and conditions as the governing board may deem to be in the best interest of the school district.

Education Code 81336
The governing board of a community college district may enter into an agreement with any person, firm, or corporation under which such person, firm, or corporation shall construct, or provide for the construction of, a building to be used by the district upon a designated site and lease such building and site to the district. Such instrument shall provide that the title to such building and site shall vest in the district at the expiration of such lease, and may provide the means or method by which the title to the building and site shall vest in the district prior to the expiration of such lease, and shall contain such other terms and conditions as the governing board of the district deems to be in the best interest of the district.

The agreement entered into shall be with the lowest responsible bidder who shall give such security as the board requires. The board may reject all bids. For the purpose of securing bids the board shall publish at least once a week for two weeks in some newspaper of general circulation published in the district, or if there is no such paper, then in some paper of general circulation circulated in the county, a notice calling for bids, stating the proposed terms of the agreement and the time and place where bids will be opened.

Requirements before board may enter into lease or agreement

Education Code 17402
Before the governing board of a school district enters into a lease or agreement pursuant to this article, it shall have available a site upon which a building to be used by the district may be constructed and shall have complied with the provisions of law relating to the selection and approval of sites, and it shall have prepared and shall have adopted plans and specifications for the building that have been approved pursuant to Sections 17280 to 17316, inclusive. A district has a site available for the purposes of this section under any of the following conditions:

(a) If it owns a site or if it has an option on a site that allows the school district or the designee of the district to purchase the site. Any school district may acquire and pay for an option containing such a provision.
(b) If it is acquiring a site by eminent domain proceedings and pursuant to Chapter 6 (commencing with Section 1255.010) of Title 7 of Part 3 of the Code of Civil Procedure, the district has obtained an order for possession of the site, and the entire amount deposited with the court as the probable amount of compensation for the taking has been withdrawn.

(c) In the case of a district qualifying under Section 17410, if it is leasing a site from a governmental agency pursuant to a lease having an original term of 35 years or more or having an option to renew that, if exercised, would extend the term to at least 35 years.

**Education Code 81332**
Before the governing board of a community college district enters into a lease or agreement pursuant to this article, it shall have available a site upon which a building to be used by the district may be constructed and shall have complied with the provisions of law relating to the selection and approval of sites, and it shall have prepared and shall have adopted plans and specifications for such building which have been approved pursuant to Article 7 (commencing with Section 81130) of Chapter 1 of Part 49. A district has a site available for the purposes of this section if it owns a site or if it has an option on a site which allows the community college district or the designee of the district to purchase the site. Any community college district may acquire and pay for an option containing such a provision.

**Education Code 17280**
a) (1) The Department of General Services under the police power of the state shall supervise the design and construction of any school building or the reconstruction or alteration of or addition to any school building, if not exempted under Section 17295, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Code of Regulations, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications, for the protection of life and property. Nothing in this section shall be construed to allow a school district to perform work with its own forces in excess of the limitations set forth in Sections 17595 and 17599. In calculating the cost of any project of reconstruction or alteration of, or addition to, any school building for the purpose of determining the applicability of the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Code of Regulations, the Department of General Services shall not include, as an element of that cost, any expenses of air-conditioning equipment or insulation materials for that building, or of installing the equipment or materials.

(2) In the alternative, for a leased or purchased building, a school district may comply with this section by complying with Section 17280.5.

(b) Whenever repairs due to fire damage, not including any damage caused by wind or earthquake, must be made to any school building previously approved by the Department of General Services, the approved plans and specifications used in the original work under then existing rules, regulations, and building standards may be used without modification, providing all other provisions of this article are carried out.
(c) Notwithstanding any other provision of law, no school district shall be authorized to construct or reconstruct any school building, regardless of the source of funding, unless and until the governing board of the district, by resolution, has indicated the agreement of the district that any school building construction or reconstruction that exceeds those construction costs and allowable area standards or any allowable building area computed for an attendance area pursuant to Section 17041 shall, in the event of the district's subsequent application for state funding for school facility construction, be deducted from the allowable building area for which the district would otherwise have been eligible, which restriction shall not be subject to waiver or exception as otherwise may be provided by law.

(d) If it is determined that, for any reason, a school district failed to comply with the requirement of this section, the district shall not be eligible for any additional building area pursuant to Section 17049 and may be denied any time priority established for the particular project pursuant to Section 17016.

**Education Code 81130**

(a) The Department of General Services under the police power of the state shall supervise the design and construction of any school building or the reconstruction or alteration of, or addition to, any school building, if not exempted under Section 81133, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Code of Regulations, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications, for the protection of life and property. Nothing in this section shall be construed to allow a community college district to perform work with its own forces in excess of the limitations set forth in Article 41 (commencing with Section 20650) of Part 3 of Division 2 of the Public Contract Code.

(b) Whenever repairs due to fire damage must be made to any school building previously approved by the Department of General Services, the approved plans and specifications used in the original work under then existing rules, regulations, and building standards may be used without modification, providing all other provisions of this article are carried out.

**Requirement of governing board to adopt a resolution declaring intention to enter into lease or agreement**

**Education Code 17417**

After the governing board of a school district has complied with Section 17402, it shall, in a regular open meeting, adopt a resolution declaring its intention to enter into a lease or agreement pursuant to this article. The resolution shall describe, in any manner to identify it, the available site upon which the building to be used by the district shall be constructed, shall generally describe the building to be constructed and state that the building shall be constructed pursuant to the plans and specifications adopted by the governing board therefor, shall, if that is the case, state the minimum yearly rental at which the governing board will lease real property belonging to the district upon which the building is to be constructed, and shall state the maximum number of years for which the school district will lease the building or site and building, as the case may be, and shall state that the proposals submitted therefor shall designate the amount of rental,
which shall be annual, semiannual, or monthly, to be paid by the school district for the use of the building, or building and site, as the case may be. The resolution shall fix a time, not less than three weeks thereafter for a public meeting of the governing board to be held at its regular place of meeting, at which sealed proposals to enter a lease or agreement with the school district will be received from any person, firm, or corporation, and considered by the governing board. Notice thereof shall be given in the manner provided in Section 17469.

**Education Code 81344**

After the governing board of a community college district has complied with Section 81332, it shall, in a regular open meeting, adopt a resolution declaring its intention to enter into a lease or agreement pursuant to this article. The resolution shall describe, in such manner as to identify it, the available site upon which the building to be used by the district shall be constructed, shall generally describe the building to be constructed and state that the building shall be constructed pursuant to the plans and specifications adopted by the governing board therefor, shall, if such is the case, state the minimum yearly rental at which the governing board will lease real property belonging to the district upon which the building is to be constructed, and shall state the maximum number of years for which the community college district will lease the building or site and building, as the case may be, and shall state that the proposals submitted therefor shall designate the amount of rental, which shall be annual, semiannual, or monthly, to be paid by the community college district for the use of the building, or building and site, as the case may be. The resolution shall fix a time, not less than three weeks thereafter for a public meeting of the governing board to be held at its regular place of meeting, at which sealed proposals to enter such a lease or agreement with the community college district will be received from any person, firm, or corporation, and considered by the governing board. Notice thereof shall be given in the manner provided in Section 81368.

At the time and place fixed in the resolution for the meeting of the governing body, all sealed proposals which have been received shall, in public session, be opened, examined, and declared by the board. Of the proposals submitted which conform to all terms and conditions specified in the resolution of intention to enter a lease or agreement and which are made by responsible bidders, the proposal which calls for the lowest rental shall be finally accepted, or the board shall reject all bids. The board is not required to accept a proposal, or else reject all bids, on the same day as that in which the proposals are opened.

**Education Code 17424**

The governing board of the school district shall obtain the general prevailing rate of per diem wages from the Director of the Department of Industrial Relations for each craft, classification or type of workman needed for the construction of the building and shall specify in the resolution and in the notice, required by Section 17417, or in the resolution required by Section 17418 and in the lease or agreement made pursuant to this article, what the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality is for each craft, classification or type of workmen needed for the construction of the building. The holidays upon which such rate shall be paid need not be specified by the governing board, but shall be all holidays recognized in the collective bargaining agreement applicable to the particular craft, classification or type of workmen employed on the project.
Any agreement or lease entered into pursuant to this article shall require that such general prevailing rates will be paid. It shall also require that work performed by any workman employed upon the project in excess of eight hours during any one calendar day shall be permitted only upon compensation for all hours worked in excess of eight hours per day at not less than 112 times the basic rate of pay. There may also be included in leases or agreements entered into pursuant to this article any other requirements with respect to matters related to the subject of this section which the governing board deems necessary or desirable.

**Education Code 81350**

The governing board of the community college district shall obtain the general prevailing rate of per diem wages from the Director of the Department of Industrial Relations for each craft, classification or type of workman needed for the construction of the building and shall specify in the resolution and in the notice, required by Section 81344, or in the resolution required by Section 81345 and in the lease or agreement made pursuant to this article, what the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality is for each craft, classification or type of workmen needed for the construction of the building. The holidays upon which such rate shall be paid need not be specified by the governing board, but shall be all holidays recognized in the collective-bargaining agreement applicable to the particular craft, classification or type of workmen employed on the project.

Any agreement or lease entered into pursuant to this article shall require that such general prevailing rates will be paid. It shall also require that work performed by any workman employed upon the project in excess of eight hours during any one calendar day shall be permitted only upon compensation for all hours worked in excess of eight hours per day at not less than 112 times the basic rate of pay. There may also be included in leases or agreements entered into pursuant to this article any other requirements with respect to matters related to the subject of this section which the governing board deems necessary or desirable.
SAMPLE LETTER
NOTICE OF THE DISTRICT INTENT TO ENTER INTO A LEASE AND LEASEBACK AGREEMENT

Date:

Tracy Minor, Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 215
Downey, CA 90242-2890

Per Bulletin No. __________, this is a notice that the district intends to enter into a lease and leaseback construction project. Attached please find the following

- The Board Resolution declaring its intention to enter into a Lease and Lease Back Agreement
- The DSA approval of the plans
- Soil Test Summary Report

Sincerely,

Chief Business Official
Attachment (Approved Emergency Resolution)
Resolution # ______________

Adoption to enter into a Lease and Leaseback (LLB) Agreement for the _____________________ Project

WHEREAS, Section 17406/81336 of the Education Code of the State of California provides the district may let, for a minimum rental of one dollar ($1) a year, to any person, firm, or corporation any real property that belongs to the district if the instrument by which such property is let requires the lessee therein to construct on the demised premises, or provide for the construction thereon of, a building or buildings for the use of the district during the term thereof, and provides that title to that building shall vest in the district at the expiration of that term; and

WHEREAS, the district have complied with EC 17402/81332 and declare ____ (site name and description) ________________ is the available site which the building will be constructed; and

WHEREAS, the building (name and describe building) will be constructed according to the plans and specifications approved pursuant to Sections 17280/81130; and

WHEREAS, minimum yearly rental is set at $_________ until_______; and

WHEREAS, per EC 17424/81350, the general prevailing rate of per diem wages obtained from the Director of the Department of Industrial Relations for each type of workman needed for the construction of the building is $_________, and the general prevailing rate for holiday and overtime work is $_________. Work performed by any workman employed upon the project in excess of eight hours during any one calendar day shall be permitted at not less than 112 times the basic rate of pay; and

WHEREAS, the board has reviewed the LLB agreements; and

WHEREAS, the board has determined that the terms are in the best interest of the district ______(could describe specifics as to how the board got to this determination)__; and

BE IT FURTHER RESOLVED that the _____________________ District, declare its intention to enter into a lease and leaseback agreement with (builder) pursuant to Education Code 17406/81336.

PASSED AND ADOPTED by vote of the members of the Governing Board/Board of Trustees of

<table>
<thead>
<tr>
<th>District</th>
<th>Month/Day/Year</th>
<th>Number of members</th>
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<tr>
<td>AYES:</td>
<td>NOES:</td>
<td>ABSENT:</td>
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I, ______________________, Clerk/Secretary of the Governing Board hereby certify that the foregoing copy of the Resolution is true, full and complete copy of the Resolution passed by the governing board of _____________________ School District at a meeting held on the ___ day of ________, 20__.  

Signature: __________________________
Clerk/Secretary of the Governing Board
(Print Name)
January 13, 2014

TO:    Business and Accounting Administrators
       Los Angeles County K-12 Schools and Community College Districts
       Other Local Educational Agencies

FROM: Nkeiruka Benson, Disbursement and Financial Systems Manager
       Accounting and Financial Services
       Division of School Financial Services

SUBJECT: AB 1565 and Public Contract Code 20111.6 – Mandatory Prequalification of
         Bidders for Certain State Funded Construction Projects Beginning January 1, 2014

The purpose of this bulletin is to provide information on Assembly Bill (AB) 1565 and Public
Contract Code (PCC) 20111.6.

Overview

Under existing law, Public Contract Code (PCC) Section 20111.5, a school district is permitted, but
not required, to prequalify bidders on construction projects awarded by public bid under PCC 20111.
There was no requirement to use the model prequalification forms published by the Department of
Industrial Relations (DIR) for use by public agencies. The new law, Assembly Bill (AB) 1565,
makes prequalification of bidders mandatory and requires that the standard questionnaire cover all
the issues in the prequalification forms published by the DIR. AB 1565, which took effect on
January 1, 2014, applies to bid projects:

- Undertaken by districts with average daily attendance (ADA) of more than 2,500;
- With estimated expenditures of $1 million or more; and
- When the project is funded, in whole, or in part, through School Facility Program or with
  state school bond funds.

New Required Procedures

AB 1565 (Chapter 808/2012) details the new procedures in PCC 20111.6, that require a standardized
prequalification questionnaire and financial statement from bidders to be verified under oath by the
bidders.

At a minimum, the questionnaire and a uniform system of rating bidders must address the issues
covered by the standardized questionnaire and model guidelines for rating bidders developed by the
DIR pursuant to PCC Section 20101, which can be found at www.dir.ca.gov/OPRL/pqdb.doc.
Bidders include general contractors and mechanical, electrical, and plumbing (MEP) subcontractors. The list of prequalified MEP subcontractors must be made available at least five (5) business days before bid opening. General contractors must select from the list of the MEP subcontractors prequalified by the district.

- The questionnaires and financial statements will not be public records or be open to public inspection. Districts are precluded from accepting bids from any bidder that has not been prequalified at least five (5) days prior to opening of the bids.
- Districts may establish a process to prequalify prospective bidders on a quarterly or annual basis.
- The questionnaire and uniform system of rating bidders will not preclude a district from prequalifying or disqualifying a subcontractor

The link to the entire text of AB 1565 can be found at: [http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1551-1600/ab_1565_bill_20120130_introduced.pdf](http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_1551-1600/ab_1565_bill_20120130_introduced.pdf)

**District Action**

Since AB 1565 will impact contracts entered into on or after January 1, 2014, districts should integrate prequalification into their procedures and have the processes in place. For those districts that have used prequalification and have developed their own forms, those forms should be reviewed to ensure that they satisfy the requirement to include issues covered by the DIR forms. School boards should take steps now to familiarize themselves with the new requirements and consult legal counsel to ensure their prequalification documents are drafted or revised appropriately to comply with the new law.

**Required documentation to be presented to Commercial Claims to approve vouchers affected by AB 1565/PCC 20111.6**

The Commercial Claims Unit document checklist will be updated to require Board adoption of the pre-qualification process and a listing of prequalified general and MEP subcontractors to ensure compliance with AB 1565/PCC 20111.5. and PCC 20111.6.

This bulletin and its attachment may be downloaded from the LACOE website at: [www.lacoe.edu/sfs](http://www.lacoe.edu/sfs)

On the SFS home page, under Resources, select Bulletins. Type in the bulletin number or keyword to find the specific bulletin you need to download.

If you have any questions regarding this bulletin, please contact Luz Spanks at (562) 922-6454 or [Spanks_Luz@lacoe.edu](mailto:Spanks_Luz@lacoe.edu).

Approved:
Patricia Smith, Executive Director
Business and Finance

PS:It
attachment

Info. Bul. No. 3742
SFS-A43-2013-2014
Ask SSC . . . Are School Districts Required to Prequalify Bidders for School Construction Projects?

Q. Our district is in the process of developing bid specifications for multiple construction projects. Are there new rules or procedures regarding the prequalification of bidders?

A. There are new prequalification rules for construction contracts beginning January 1, 2014. School districts with an average daily attendance of 2,500 or more will be required to follow new procedures when awarding construction contracts if:

- The project has estimated expenditures of at least $1 million, and
- The project is funded through the School Facility Program or any future state school bonds

Assembly Bill (AB) 1565 (Chapter 808/2012) details the new procedures in Public Contract Code, which require a standardized prequalification questionnaire and financial statement from bidders to be verified under oath by the bidders.

1. Bidders include general contractors and electrical, mechanical, and plumbing subcontractors. The questionnaires and financial statements will not be public records or be open to public inspection.
2. Districts may establish a process to prequalify prospective bidders on a quarterly or annual basis.
3. The questionnaire and uniform system of rating bidders will not preclude a district from prequalifying or disqualifying a subcontractor.

At a minimum, the questionnaire and a uniform system of rating bidders must cover the issues covered by the standardized questionnaire and model guidelines for rating bidders developed by the Department of Industrial Relations pursuant to Public Contract Code Section 20101, which can be found at www.dir.ca.gov/OPRL/pqdb.doc.

Although school districts already had the statutory authority to prequalify contractors, prior to the passage of AB 1565, they were not required to do so. Compliance with the law may increase administrative and legal costs, and add to the cost of school construction, modernization, and repair.

Districts may need to consult with legal counsel to ensure they are compliant with the new procedures.

—Maureen Evans and Brianna Garcia
November 21, 2014

TO: Business Administrators
Los Angeles County School and Community College
Districts and Other Local Educational Agencies

FROM: Nkeiruka Benson
Disbursement and Financial Systems Manager
Accounting and Financial Services
Division of School Financial Services

SUBJECT: LACOE Voucher Approval Panel

IMPORTANT INFORMATION

School Financial Services, Commercial Claims Unit, is pleased to announce that Accounts Payable users now have view access to LACOE Voucher Approval (New) panel in PeopleSoft. The LACOE Voucher Approval Panel is the panel used by Commercial Claims Unit to review vouchers on hold to either approve, deny, or release a voucher back to the district. Accounts Payable staff at the districts can now view online the status of their vouchers submitted to the Commercial Claims Unit. Access to the panel will provide districts with real time updated information on vouchers that are held for Audit or Amount Hold.

Please refer to the attachment on how to use this panel.

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http://www.lacoe.edu/sfs

On the SFS home page under SFS Resources, select Bulletins. Type in the bulletin number or keyword to find the specific bulletin you need to download.

If you have any questions in reference to this bulletin, please contact Gina Martino at (562) 922-6633 or Martino_Gina@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

NB: It
Attachment

SFS-A19-2014-2015
LACOE Voucher Approval Panel

The LACOE Voucher Approval Panel is the panel used by the Commercial Claims Unit to view vouchers on hold. There are two tabs, namely, Audit Code Hold and Amount Hold. The vouchers are arranged by Vendor Name. Other information includes Voucher ID, Accounting Date, District Approver ID and Gross Amount.

Actions by Commercial Claims Unit include Approve, Deny, or Release. Once an action has been taken on a voucher, the voucher will no longer be on hold and displayed on the panel. In order to check the approval status of a voucher after it has been removed from the LACOE Voucher Approval panel, the district may navigate to the Voucher Summary Panel.

Navigation:

Go – Administer Procurement – Enter Voucher Information
Inquire – LACOE Voucher Approval Status – (Audit Code Hold or Amount Hold)

Audit Code Hold Tab

- Displays Vouchers held for audit
- To see all vouchers, use the scroll bar located on the right side of the panel
- On the Suspense Register Report (LACSUR), these vouchers will have “AUD” Status
- On the Voucher Summary Panel, these vouchers will have a Commercial Claim Status of “Audit Hold”.

This is the Audit Code Hold tab. All vouchers displayed are on hold. Commercial Claims action buttons are Approved, Denied or Released. Use the scroll bar to see more vouchers.
Amount Hold Tab

- Displays voucher or vouchers on hold grouped by vendor.
- For vouchers to be on Amount Hold, the cumulative total amount of all vouchers by vendor must exceed the district’s threshold amount.
- To see the next vendor, use the outer scroll bar on the right side of the panel.
- On the Suspense Register Report (LACSUR), these vouchers will have “AMT” status.
- On the Voucher Summary Panel, these vouchers will have a Commercial Claim Status of “Amount Hold”.

This is the Amount Hold tab. Unlike the Audit Code Hold panel that displays all vouchers for all vendors, this panel groups vouchers by vendor showing one vendor at a time. Shown here are vouchers for vendor 0000000107.

Clicking the scroll bar will take you to the next vendor 0000012042.
Commercial Claims Approval Status

- Hold – Voucher is on hold pending Commercial Claims Unit review.
- Approved – Voucher is approved for payment. Warrant is printed and delivered to the district the following business day.
- Release – Commercial Claims is unable to approve the voucher and releases it back to the district. The district should delete or close the voucher.
- Denied – The voucher is denied by Commercial Claims when it is determined that the voucher cannot be approved. The district should delete or close the voucher.
- Details - Clicking on this button will open the Voucher Detailed Charges to view the voucher’s distribution lines or account strings, specifically, the auditable Object Code.

Clicking on the “Details” button opens the Voucher Detailed Charges panel below. The district can view the Object Code that made the voucher auditable.

Voucher Summary Panel

- When a voucher has been approved, denied, or released, the voucher will no longer be displayed on the LACOE Voucher Approval Panel.
- Navigate to the Voucher Summary Panel, LACOE Approval, to look up the status of the voucher, the last Update Date, and the LACOE Approver ID.

From the LACOE Voucher Approval Panel, Voucher “TEST1” is approved.
Upon Approval Voucher “Test1” is no longer displayed on the panel.

To find out the status of the Voucher “TEST1”, navigate to the Voucher Summary Panel. Under LACOE Approval, approval status, date and approver ID, are indicated.
May 13, 2015

TO: Business Administrators
Los Angeles County School and Community College Districts
and Other Local Educational Agencies

FROM: Patricia Smith, Executive Director
Business and Finance

SUBJECT: Commercial Claims Board Approval Documentation Requirement

IMPORTANT INFORMATION

The Education Code (EC) 42632/85232 mandates that each order drawn on the funds of a Local Educational Agency (LEA) be signed by at least a majority of the members of the governing board of the LEA, or by a person or persons authorized by the governing board to sign orders in its name. No person other than an officer or employee of the district shall be authorized to sign orders. The Los Angeles County Office of Education has established audit review objectives to ensure compliance with this mandate.

For Commercial Claims vouchers on “Audit” or “Amount” hold that require Board approval, LACOE requires the backup documentation to include an affirmation by a formal vote of the members of the school board authorizing the expenditure. EC35163 states that “Every official action taken by the governing board of every school district shall be affirmed by a formal vote of the members of the Board, and the governing board of every school district shall keep minutes of its meetings, and shall maintain a journal of its proceedings in which shall be recorded every official act taken.”

The affirmation to be included with the backup documents can be in form of the minutes showing the vote or the actual board approval form signed by the secretary of the Board. LACOE requires the current Board members’ approval.

Therefore, when submitting back-up documentations to Commercial Claims Unit for vouchers that require Board approvals, districts need to ensure that the Board affirmations (approvals) are included and that they are current to avoid voucher processing delays.
Download SFS Bulletins from LACOE Website

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http://www.lacoe.edu/sfs

On the SFS home page, under SFS Resources select Bulletins. Type in the bulletin number or keyword to find the specific bulletin you need to download.

If you have any questions in reference to this bulletin, please contact Nkeiruka Benson at (562) 922-8874 or benson_nkeiruka@lacoe.edu

Approved:
Patricia Smith, Executive Director
Business and Finance

NB:It

SFS-A69-2014-2015
August 26, 2015

TO: Business, Payroll and Personnel Administrators
Los Angeles County School and Community College Districts
Charter Schools and Other Local Educational Agencies

FROM: Patricia Smith, Executive Director
Business and Finance

SUBJECT: New Process for HRS Warrants Issued to Deceased Employees

This bulletin provides information on a new process for the handling of warrants issued to deceased employees.

Districts may be in possession of uncashed payroll warrants issued to deceased employees. Formerly, the process for disposing of such warrants involved an endorsement by SFS Legal Claims to a qualified beneficiary. Effective immediately, a new procedure will be implemented which allows the district more control in processing such warrants. The process for disposing of these warrants is pursuant to district verification of the following:

- Existence of a valid Warrant Recipient Designation form executed by the employee, or
- Submission of court letters of administration or letters of testamentary, or
- An affidavit allowing the release of funds to a spouse or beneficiary, and
- Proof of death.

An example of a Warrant Recipient Designation form is included as an attachment to this bulletin. Districts should encourage all employees to update this form every five years, or when a life change occurs.

NEW PROCEDURE

District Accounting/Payroll Units will now have the ability to enter vouchers for the appropriate amount payable to a qualified beneficiary. Districts wishing to re-issue wages to a beneficiary should perform the following steps:

- Secure uncashed “A” Warrant
- Produce a valid warrant recipient designation or other legal documentation permitting wage distribution to a beneficiary, as mentioned on the previous page.
- Prepare “B” Warrant voucher in PSFS representing net amount of original “A” warrant.
- Make note of original “A” Warrant number in voucher comment section.
- Charge expenditure 9601, Due for Employee Final Pay Liability Account.
- Submit documents and warrant to LACOE Legal Claims for verification before release.

Please note that Districts should not cancel “A” Warrant in HRS.

If you have questions, please contact the corresponding person:

<table>
<thead>
<tr>
<th>Subject Matter</th>
<th>Contact Person</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial Claims:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voucher approval</td>
<td>Gina Martino</td>
<td><a href="mailto:Martino_Gina@lacoe.edu">Martino_Gina@lacoe.edu</a></td>
</tr>
<tr>
<td><strong>Payroll:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Documentation verification</td>
<td>Gail Wiggan</td>
<td><a href="mailto:Wiggan_Gail@lacoe.edu">Wiggan_Gail@lacoe.edu</a></td>
</tr>
<tr>
<td><strong>Payroll:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HRS wage adjustments/tax liability</td>
<td>April Reynolds</td>
<td><a href="mailto:Reynolds_April@lacoe.edu">Reynolds_April@lacoe.edu</a></td>
</tr>
<tr>
<td></td>
<td>Roy Castillo</td>
<td><a href="mailto:Castillo_Roy@lacoe.edu">Castillo_Roy@lacoe.edu</a></td>
</tr>
</tbody>
</table>

Approved:
Patricia Smith, Executive Director
Business and Finance

PS:It
Attachment

SFS-A8-2015-2016
Unified School District  
12345 Plaza Drive  
Los Angeles, CA 90242

WARRANT(S) RECIPIENT DESIGNATION

Under the provisions of Section 53245 of the California Government Code, in the event of my death I hereby designate the following named person to be entitled to receive all warrants payable to me by the _________________ Unified School District had I survived:

### Beneficiary Information

<table>
<thead>
<tr>
<th>TYPE OR PRINT FULL NAME OF DESIGNEE</th>
<th>RELATIONSHIP TO EMPLOYEE</th>
</tr>
</thead>
<tbody>
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<td></td>
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<table>
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<tr>
<th>ADDRESS (NUMBER, STREET, CITY, STATE AND ZIP CODE)</th>
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<table>
<thead>
<tr>
<th>PHONE NUMBER</th>
<th>SOCIAL SECURITY NUMBER</th>
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### Contingent Beneficiary Information

IF THE BENEFICIARY NAMED ABOVE IS NOT LIVING THEN PAY:

<table>
<thead>
<tr>
<th>RELATIONSHIP TO EMPLOYEE</th>
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<tbody>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ADDRESS (NUMBER, STREET, CITY, STATE AND ZIP CODE)</th>
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<tr>
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<tr>
<th>PHONE NUMBER</th>
<th>SOCIAL SECURITY NUMBER</th>
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<td></td>
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</table>

This designation cancels and replaces any previously signed by me for this purpose and shall remain in effect until cancelled in writing by me.

It is expressly understood and agreed that the _________________ Unified School District is not obligated to deliver said warrants to the person designated hereinafore unless said designated person, within two years after the date of said warrant or warrants, claims said warrants from the _________________ Unified School District and provides to said _________________ Unified School District sufficient proof of identity pursuant to the provisions of Section 53245 of California Government Code.

<table>
<thead>
<tr>
<th>TYPE OR PRINT FULL NAME OF EMPLOYEE</th>
<th>SIGNATURE OF EMPLOYEE</th>
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</table>

<table>
<thead>
<tr>
<th>EMPLOYEE IDENTIFICATION NUMBER</th>
<th>DATE SIGNED</th>
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FORM NO ________

Attachment to:  
Info. Bul. No. 4172  
SFS-A8-2015-2016
September 18, 2015

TO: Accounts Payable Administrators
Purchasing, Business and Accounting Administrators
Los Angeles County School K-12 and Community College Districts
Regional Occupational Programs/centers (ROP/Cs) and
Other Local Education Agencies (LEAs)

FROM: Terry Macalalad, Enterprise Financial Systems Consultant
Accounting and Financial Services
Division of School Financial Services (SFS)

SUBJECT: Voucher Attachment

The Los Angeles County Office of Education (LACOE) is pleased to offer the “Voucher Attachment” feature in the PeopleSoft Accounts Payable Module. This will allow district accounts payable staff to attach soft copy documents to vouchers.

The benefits of using this feature are:

- Facilitate receipt of documents by Commercial Claims resulting in a faster turnaround in the approval process.
- Eliminate Voucher Claim Request Form (Goldenrod) for submitting supporting documents.
- Approvers can view supporting documents online in one place.
- Supporting documents associated to vouchers are saved in PeopleSoft for fast and easy retrieval.
- Enhance both LACOE and District paperless initiative.

Voucher Attachment is available through a new tab in the Voucher Entry panels. Users will be allowed to attach and view Word, Excel, and PDF files only. Please refer to the attachment on how to use this new feature.
For all questions related to this bulletin or the attachment, please contact any of the following:

Raul Regalado    (562) 922-6167        Regalado_Raul@lacoe.edu
Carmen Dimayuga  (562) 922-6862        Dimayuga_Carmen@lacoe.edu
Terry Macalalad  (562) 922-6181        Macalalad_Terry@lacoe.edu

You may also email our group at SFSFastPayable@lacoe.edu.

Approved:
Patria Smith, Executive Director
Business and Finance

PS:lg
Attachment

SFS-A17-2015-16
Overview

This document is designed to give users an overview of the procedure to attach/view softcopy documents to a voucher.

The document is divided into 5 sections:

A. PeopleSoft File Security (Pages 1-3)
B. User Set-Up Requirements (Page 4)
C. Attaching Soft Copy Documents to Vouchers (Pages 5-13)
D. Viewing Attachments from the District Approval Panel (Pages 14-15)

A. PeopleSoft File Security

PeopleSoft File Security must be set to “Full Access” in order for users to attach files in PeopleSoft. First, log in to PeopleSoft. Then follow the instructions below based on the Operating System.

Windows 7 Users:

After log in, the following message will appear:

![File Security - Citrix online plug-in](image)

Click on Yes to allow PeopleSoft to copy files from your C drive.
Windows XP Users:

In the bottom right corner of the desktop, find the Program Neighborhood Connection Center icon (gray box with a red circle). Double Click the icon.

The following screen will appear. Click on File Security and make sure the settings are “Full Access” and “Never ask me again.”
Mac Users:

Find the Citrix online plug-in on the menu bar (top left corner). Click the Citrix online plug-in and choose Preferences.

In the preferences screen, click the Devices tab. Change the Read/Write option for “/Users/Computer Name (C:)” to Always.
B. User Setup Requirement

For security reasons, PeopleSoft has been programmed to only look at the C:\LACOE\ directory.

Windows 7 Users:

For windows users, the following steps must be completed before documents can be attached to vouchers:

1. Create a “LACOE” folder in the “C” drive.
2. Save documents to be attached to the C:\LACOE\ folder.
3. Only PDF (.pdf), Word (.doc), and/or Excel (.xls or.xlsx) files are attachable to the voucher. All other types of documents (example .jpg, .mp4) cannot be attached. (Note you can convert jpg image to a PDF file)

Mac Users:

The directory must be changed to C:\DOCUMENTS\LACOE\ in order for users to attach softcopy documents. Users will need to create a folder called “LACOE” inside the documents folder and save the softcopy documents in that folder.

Note: There is a 60 character file name limit. This limit includes the file extension. If the file exceeds the character limit, the file will not be attached.

Reminder: It is necessary to clean up your LACOE folder. Delete all files that have already been attached.
C. Attaching Soft Copy Documents to Vouchers in PeopleSoft

Documents can be attached to Vouchers via:

- PO Voucher Panel
- Standard Voucher Panel
- Express Voucher Panel
- Adjustment Panel
- Attach Documents Only Panel

**Important:** *Attach documents before sending the voucher for district approval.* This will prevent delays in processing the voucher and will provide your district approver an opportunity to review documents online.

Documents can only be attached to a voucher upon save.

Documents **cannot** be attached to, or removed from, vouchers with the following status:

1. Approved
2. Vouchers on Audit/Amount Hold
3. Paid
4. Closed

Vouchers on Audit/Amount Hold can be released back to the district by Commercial Claims if additional documents are needed. **To expedite voucher payments it’s important to attach all the required documents from the onset.**

Procedure for attaching documents from the PO Voucher, Standard, Express, and Adjustment Panels remain the same. Step 3 is not necessary for Standard, Express and Adjustment Panels since there are no attachments to be viewed from the PO and Requisition modules.

**Note:** Districts using the Peoplesoft Purchasing module should attach contract documents on the PO. Documents attached on the PO are easily viewable by Commercial Claims staff on any voucher referencing that contract or PO. For steps on how to attach documents to PO refer to bulletin **Bulletin 3710**
PO Voucher Panel

Navigation: Go → Administer Procurement → Enter Voucher Information
Use → PO Voucher → Header Information → Add

a. **Create the voucher** by copying the PO/Receiver or using the PO/Receiver Worksheet. After the voucher has been saved, **click on the Attachment icon** located in the Header Information Tab. This action will take user to the Document Attachment Tab.

b. **Click on the Save/Refresh Documents** button. Documents attached from the Purchase Order and Requisition Modules will be listed on the left column.

c. **Click on the list icon** (right column) to view documents attachable from the C:\LACOE\ directory
d. **Click on the Attach box** of selected documents to attach.

![Image of Document Attachment in PeopleSoft - Vouchers]

- **Click on Save/Refresh documents** to save the attachments to the voucher.

![Image of Document Attachment in PeopleSoft - Vouchers]
Removing Attachments

1. To remove an attached document from a voucher, simply click on the Remove checkbox (see below) and then click the Save/Refresh Documents pushbutton to un-link the attachment(s) from the PO and Requisition. The panel will once again be updated accordingly.

Note: Once an attachment is removed from the voucher, the document will be un-linked and can be deleted/removed from the PO and/or Requisition Panel.
Voucher/Express Voucher Panel (for Non-PO Vouchers)

1. Create the voucher and save. Click on the Attachment icon located in the Header Information Tab.

2. Click on the list icon to display all documents available for attachment.

Reminder: Do not forget to attach the related contract and Purchase order.

3. Click on the Attach box of selected documents to attach.
4. Click on the Save/Refresh Documents. Selected attachments will move from the right to the left column.

5. On the Comments Tab, list down the name, e-mail and phone# of the district user Commercial Claims can contact for questions or additional documents.
Document Attachments in PeopleSoft – Vouchers

Attach Documents Only Panel (for Interface Districts)

Navigation: Go → Administer Procurement → Enter Voucher Information Use → Attach Documents Only. Enter Voucher Number.

1. **To attach documents**: Click the documents icon to list all documents saved on the C:LACOE\folder.

2. **Click on the Attach box** to select documents for attachment.
3. Click on the Save/Refresh Documents button to attach documents to the voucher.

Notice that the documents moved from the right side of the panel to the left. This is an indication that the documents are now attached to the voucher.

4. To remove documents from the voucher: Click on the Remove box of the document to be removed.
5. **Click on the Save/Refresh** button to remove the document.
D. Viewing Attachments from the Voucher District Approval Panel

**Navigation:** Go → Administer Procurement → Enter Voucher Information
Use → Voucher District Approval.

a. Click on the attachment icon to view documents attached to the voucher.

![Voucher District Approval Panel](image-url)
b. A new window opens. Click on the magnifying glass to view a document. Click on the View All icon to open all documents attached to the voucher.
November 6, 2018

TO: Business and Accounting Administrators
Los Angeles County K-12 Schools and Community College Districts and
Other Local Educational Agencies

FROM: Tracy Minor, Assistant Director
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Annual Certification of Signature Resolution 2019-20

The governing board of each school district and community college district is required to hold an annual organizational meeting according to Education Code Section 35143/72000 as follows:

- Within a 15-day period that commences with the date upon which a governing board member elected at that election takes office. In years when there are no regular elections conducted for governing board members, the organizational meeting shall be held during the same 15-day period on the calendar.

- Only a city board of education, whose members are elected in accordance with a city charter, are exempt from the above.

LACOE requires the Certification of Signatures Resolution to be approved at that meeting.

ANNUAL CERTIFICATION OF SIGNATURE RESOLUTION SUBMISSION DUE DATES

The annual Certification of Signatures is due to the Los Angeles County Office of Education (LACOE) as follows:

<table>
<thead>
<tr>
<th>Date Expiring</th>
<th>Date Due</th>
</tr>
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<tbody>
<tr>
<td>December 31, 2018</td>
<td>December 17, 2018</td>
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<tr>
<td>May 31, 2019</td>
<td>May 17, 2019</td>
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<tr>
<td>June 30, 2019</td>
<td>June 14, 2019</td>
</tr>
<tr>
<td>July 31, 2019</td>
<td>July 17, 2019</td>
</tr>
<tr>
<td>August 31, 2019</td>
<td>August 16, 2019</td>
</tr>
</tbody>
</table>
NEW RESOLUTION REQUIRED FOR ANY CHANGE IN SIGNATURE AUTHORIZATIONS

When changes in signature authorizations occur before the expiration of the annual Resolution, the district must submit a new Resolution. The new Resolution will rescind all previous signature Resolutions. The Resolution should be signed by the Clerk of the Board, accompanied by the Board minutes. If the change is removing a signatory, a cover letter describing the change and the Board minutes will suffice.

REMOVE OR DEACTIVATE PEOPLESOFT OPERATOR APPROVING RIGHTS TO SIGNATORIES WHO ARE NO LONGER AUTHORIZED

At the same time, whenever changes in signature authorizations occur, a PeopleSoft Operator Security form (which can be obtained from our website) should be completed and submitted to the PeopleSoft Security Unit to request deactivation of the approving rights given to signatories who are no longer authorized. Please submit form to PeopleSoft Security Unit at SFSSecurity@lacoe.edu.

SIGNATURES ON EXPIRED CERTIFICATION

A signature on an expired Certification of Signatures Resolution will not be honored for purposes of approving voucher requests. If the resolution expires before the scheduled organizational meeting, please submit a letter requesting an extension to honor the signatures until a new resolution is approved within thirty (30) days after the expiration date.

Submit a cover letter, the Board Minutes, a copy of the approved Certification of Signature Resolution, and the adopted list of authorized district personnel with their delegated duties to:

Tracy Minor, Assistant Director
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 219
Downey, CA 90242-2890

This bulletin and its attachments are posted on the LACOE website at the following address:

https://www.lacoe.edu/bulletins

The Certification of Signatures Resolution form may be accessed on the website: www.lacoe.edu/commercialclaims, select “Certification of Signatures” under “Documents & Forms”.

If sending the Certification of Signatures and letters by e-mail, please send to Spanks_Luz@lacoe.edu. Indicate District Name and Certification of Signatures 2018-2019 in the subject line. For any questions regarding this bulletin, contact Luz Spanks at (562) 922-6454.

Approved:
Patricia Smith, Executive Director
Business and Finance

TM:lg
Attachments

SFS-A26-2018-19
DISTRIBUTION

CERTIFICATION OF SIGNATURES

As clerk/secretary to the governing board of the above named district, I certify that the signatures shown below in Column 1 are the verified signatures of the members of the governing board. I certify that the signatures shown in Column 2 are the verified signatures of the person or persons authorized to sign notices of employment, contracts and orders drawn on the funds of the district. These certifications are made in accordance with the provisions of Education Code Sections:

- **K-12 Districts:** 35143, 42632, and 42633
- **Community College Districts:** 72000, 85232, and 85233

If persons authorized to sign orders as shown in Column 2 are unable to do so, the law requires the signatures of the majority of the governing board.

These approved signatures are valid for the period of: __________________________ to __________________________

In accordance with governing board approval dated __________________________, 20 ________.

Signature __________________________ Clerk (Secretary) of the Board

Typed Name __________________________ Clerk (Secretary) of the Board

### Column 1

<table>
<thead>
<tr>
<th>Signature</th>
<th>INITIALS</th>
</tr>
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<tbody>
<tr>
<td>President of the Board of Trustees/Education</td>
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<tr>
<td>Signature</td>
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<tr>
<td>Clerk/Secretary of the Board of Trustees/Education</td>
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<td>Typed Name</td>
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</tr>
</tbody>
</table>

If the Board has given special instructions for signing warrants or orders, please attach a copy of the resolution to this form.

### Column 2

<table>
<thead>
<tr>
<th>Signature</th>
<th>INITIALS</th>
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</tbody>
</table>

Number of Signatures required:

- Orders for Salary Payments
- Orders for Commercial Payments
- Notices of Employment
- Contracts

---

Attachment No. 1
Info. Bul. No. 4908
SFS-A26-2018-19
CERTIFICATION OF SIGNATURES RESOLUTION

Date:

Tracy Minor
Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 219
Downey, CA 90242-2890

Per LACOE Bulletin #4908, attached is the Certification of Signatures Resolution expiring on __________ which was approved during our organizational meeting on __________.

If you have any questions, please contact, (Name and title of district representative) at (Phone number), and (e-mail address).

Sincerely,

District Representative
Title and Division

Attachment No. 2
Info. Bul. No. 4908
SFS-A26-2018-19
REQUEST FOR EXTENTION OF THE
CERTIFICATION OF SIGNATURES RESOLUTION

Date:

Tracy Minor
Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 219
Downey, CA 90242-2890

Per LACOE Bulletin #4908, this is a request to honor the Certification of Signatures Resolution which expired on _______ until a new resolution is approved on our next organizational meeting scheduled on ____________.

A copy of the new approved Certification of Signatures Resolution will be sent to you after the organizational meeting.

If you have any questions, please contact, (Name and title of district representative) at (Phone number), and (e-mail address).

Sincerely,

District Representative
Title and Division
NOTICE OF REVISION/AMENDMENT ON THE CERTIFICATION OF SIGNATURES

Date:

Tracy Minor
Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 219
Downey, CA 90242-2890

Per LACOE Bulletin 4908, this is a notice of revision in our current Certification of Signatures Resolution.

Effective ____________, (describe changes). Enclosed is the revised Certification of Signatures Resolution signed by the Secretary of the Board and the approved minutes for the revision.

If you have any questions, please contact, (Name and title of district representative) at (Phone number), and (e-mail address).

Sincerely,

District Representative
Title and Division

Attachment No. 4
Info. Bul. No. 4908
SFS-A26-2018-19
January 5, 2016

TO: Business Administrators
Los Angeles County School and Community College Districts
and Other Local Educational Agencies

FROM: Tracy Minor, Assistant Director
Accounting and Finance Services
Division of School Financial Services

SUBJECT: County Approval Process of Emergency Resolutions Requests

The purpose of this bulletin is to provide information regarding the County approval process of Emergency Resolution Requests.

Legal Provision

In emergency situations, the Public Contract Code (PCC) contains a provision for public agencies to enter into contracts for public work projects without competitive bidding when the total cost exceeds $15,000. Public Contract Code Sections 20113 (school districts) and 20654 (community college districts) read as follows:

(a) In an emergency when any repairs, alterations, work, or improvement is necessary to any facility of public schools to permit the continuance of existing school classes, or to avoid danger to life or property, the board may, by unanimous vote, with the approval of the county superintendent of schools, do either of the following:

1. Make a contract in writing or otherwise on behalf of the district for the performance of labor and furnishing of materials or supplies for the purpose without advertising for or inviting bids.
2. Notwithstanding PCC Section 20114, authorize the use of day labor or force account for the purpose.

(b) Nothing in this section shall eliminate the need for any bonds or security otherwise required by law.
Definition of Emergency

Public Contract Code Section 1102 describes emergencies as follows:

“Emergency,” as used in this code, means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life health, property, or essential public services.

The following are the requirements to permit our office to approve payments under emergency conditions:

1. An Emergency Resolution unanimously approved by the governing board (Attachment 1) must be forwarded to our office with a cover letter (Attachment 2) requesting approval of the county superintendent of schools to waive the competitive bidding requirement under PCC Section 20113 (school districts) and Section 20654 (community college districts). In all situations, the definition of emergency as defined by PCC Section 1102 must be met. The request should describe facts showing the need for repairs and justifying an emergency exist, e.g., “The boiler at Anywhere Elementary School exploded on December 9, 2005, during the winter break and must be replaced. Classes will resume in 4 days. The superintendent reports that existing classes will not be able to continue without an immediate repair of the boiler.” The request should also include the district’s best estimate of the total expenditures needed to correct the emergency and, when known, the name(s) of the vendor(s) contracted with for the repairs/alterations.

2. When the nature of the emergency is such that corrective action is required before the regular scheduled governing board meeting, and the estimated cost exceeds the competitive bidding limit, you may secure the county office’s conditional approval to proceed by submitting information relevant to the emergency to our office in letter form (Attachment 3) by e-mail to Minor_Tracy@Lacoe.edu. The district’s governing board members must approve the emergency repairs. We will review the information and respond to you quickly. Once approved, an electronic copy is sent to the district. A copy of the formal resolution adopted by the governing board must still be sent to our office.

3. Once LACOE approves an emergency waiver, a copy of the approved resolution will be sent to the district as confirmation. The resolution number should be referred to or a copy of the approved emergency resolution should be submitted as supporting documentation for all payment requests related to the emergency resolution.

CUPCCAA Districts do not have to submit an Emergency Resolution request to LACOE

Districts who have elected to be subject to the California Uniform Public Construction Cost Accounting Act (Pub. Contract Code Section 22000, et seq., “CUPCCAA”), do not have to submit an Emergency Resolution Request to LACOE for approval. Emergency work of $175,000 or more and as defined in PCC 22035 must be done pursuant to the terms of PCC Section 22050(a).
(1) In the case of an emergency, a public agency, pursuant to a four-fifths vote of its governing body, may repair or replace a public facility, take any directly related and immediate action required by that emergency, and procure the necessary equipment, services, and supplies for those purposes, without giving notice for bids to let contracts.

(2) Before a governing body takes any action pursuant to paragraph (1), it shall make a finding, based on substantial evidence set forth in the minutes of its meeting, that the emergency will not permit a delay resulting from a competitive solicitation for bids and that the action is necessary to respond to the emergency.

An emergency waiver does not eliminate the need for any bonds or security otherwise required by law.

A retention of not less than 5 percent is required for progress payments on public works projects exceeding $5,000 per PCC Section 9203(a) “Payment on any contract with a local agency for the creation, construction, alteration, repair, or improvement of any public structure, building, road, or other improvement, of any kind which will exceed in cost a total of five thousand dollars ($5,000), shall be made as the legislative body prescribes upon estimates approved by the legislative body, but progress payments shall not be made in excess of 95 percent of the percentage of actual work completed plus a like percentage of the value of material delivered on the ground or stored subject to, or under the control of, the local agency, and unused. The local agency shall withhold not less than 5 percent of the contract price until final completion and acceptance of the project. However, at any time after 50 percent of the work has been completed, if the legislative body finds that satisfactory progress is being made, it may make any of the remaining progress payments in full for actual work completed.”

A payment bond per Civil Code Section 9550 will be required if the contract amount for public works exceeds $25,000 before performance of the work.

Please be advised that Emergency Resolution may not be considered for major construction and/or modernization projects unless they meet the criteria of the PCC Sections 1102, 20113 and 20654.

This bulletin and its attachments are posted at the Web site of the Los Angeles County Office of Education (LACOE), at the following address:

www.lacoe.edu/bulletins

Should you have any questions regarding the bulletin, please contact Luz Spanks at (562) 922-6454 or by e-mail at Spanks_Luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

TM:It
Attachments
SFS-38-2015-2016
GOVERNING BOARD RESOLUTION FOR
EMERGENCY RESOLUTION - PUBLIC PROJECT

On Motion of Member ___________________________, seconded by Member ___________________________,
the following resolution is adopted by the Governing Board of the ____________________________ District:

WHEREAS, ____________________________________________________; and

WHEREAS, ____________________________________________________; and

WHEREAS, ____________________________________________________; AND

WHEREAS, Public Contract Code Section 20113 (school districts) or 20654 (community college districts) provides that public agencies may, with the unanimous approval of the governing board and approval of the county superintendent of schools, contract for the performance of labor and purchase of materials without advertising for or inviting bids in an emergency when such work is necessary to permit the continuance of existing school classes or to avoid danger to life and property;

THEREFORE, BE IT HEREBY RESOLVED, That the Governing Board of the ____________________________ District has determined that these circumstances constitute an emergency condition and request approval from the county superintendent of schools to enter into contracts for:

without advertising or inviting bids pursuant to Public Contract Code Section 20113 (school districts) or 20654 (community college districts.)

PASSED AND ADOPTED by unanimous vote of the members of the Governing Board of the

With the approval of the County Superintendent of Schools, the Board will

☐ Make a contract for the performance of labor and furnishing of materials or supplies, or

☐ Authorize the use of day labor or force account.**

AYES: ___________________________ NOES: ___________________________ ABSENT: ___________________________

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES } SS

I, ___________________________, Clerk/Secretary of the Governing Board of the ____________________________ District, do hereby certify that the foregoing is a full, true, and correct copy of a resolution adopted by the said Board at a regularly called and conducted meeting held on said date.

______________________________
Clerk/Secretary of the Governing Board

*Civil Code Section 9550 (Public works projects of $25,000 or more would require a payment bond.)

**Community College Districts subject to limitations of PCC 20655; K-12 School Districts subject to limitations of PCC 20114; CUPCCA Districts subject to PCC 22050

FORM NO. 503-826 Rev. 10/24/2012
DISTRIBUTION: Submit Original and one (1) copy to Division of School Financial Services, Commercial Claims Section
In accordance with Public Contract Code Section 20113 for school districts or 20654 for community college districts, your district meet the requirements pursuant to the Public Contract Code, unanimously resolved by vote of all members present, and constituting a quorum, that an emergency exists wherein certain repairs, alterations, works or improvements are necessary to permit the continuance of existing school classes, or to avoid danger to life and property as described in Resolution No. ________________ dated _____________________.

Approved by the County Superintendent of Schools

______________________________

BY (DEPUTY)

______________________________

DATE SIGNED
Date:

Tracy Minor, Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 215
Downey, CA 90242-2890

Emergency Resolution Request - Governing Board Approval

In accordance with Public Contract Code Sections 1102, 20113 (school districts) / 20654 (community college districts), our district is seeking the approval of the County Office of Education to waive the requirement for competitive bids as a result of the following emergency condition(s):

[Description of emergency, including scope of work, cost estimate, and statement to indicate the effect of the emergency with regard to “permitting the continuance of existing school classes or to avoid danger to life or property.”]

Our Governing Board met on (date of governing board meeting) and unanimously adopted the attached emergency waiver resolution.

A payment bond will be furnished before allowing the performance of any public project work costing more that $25,000.

Please contact (Name and title of district representative) at (Phone number), or (e-mail address) if additional information is needed.

Sincerely,

Chief Business Official
Attachment (Approved Emergency Resolution)
SAMPLE LETTER
(Before governing board approval)

Date:

Tracy Minor, Assistant Director
Accounting and Financial Services
Division of School Financial Services
Los Angeles County Office of Education
9300 Imperial Highway, Room 2195
Downey, CA 90242-2890

Emergency Resolution Request - Preliminary Approval

Our governing board has approved an emergency related to:

[Description of emergency, including scope of work, cost estimate, and statement to indicate the effect of the emergency with regard to “permitting the continuance of existing school classes or to avoid danger to life or property.” As provided for under Public Contract Code Sections 1102 and 20113 (school districts) or 20654 (community college districts)].

Your concurrence is needed for the district to proceed. A payment bond will be furnished before allowing the performance of any public work costing more than $25,000.

A formal resolution will be acted upon by our governing board on (date of governing board meeting) and a copy will be sent to you so that the formal approval from the County Superintendent of Schools may be considered and granted.

Please contact (Name and title of district representative) at (Phone number), or (e-mail address) if additional information is needed.

Sincerely,

Chief Business Official
Attachment

Attachment No. 3
Info. Bul. No. 4267
SFS-38-2015-2016
January 11, 2016

TO: Accounts Payable Administrators
   Purchasing, Business and Accounting Administrators
   Los Angeles County School K-12 and Community College
   Districts Regional Occupational Programs/Centers (ROP/Cs) and
   Other Local Educational Agencies (LEA)

FROM: Gina Martino, Senior Accountant
      Commercial Claims Unit
      Division of School Financial Services

SUBJECT: Electronic Voucher Request Claim Form

The Los Angeles County Office of Education’s (LACOE) Division of School Financial Services (SFS) is pleased to announce the availability of the Electronic Voucher Request Claim (EVRC) Form. Similar to the current hard copy form (Goldenrod), this form is to be used for documents submitted via email. By using the form, required document(s) sent for vouchers on Audit or Amount Hold are automatically routed to the district’s Commercial Claims primary contact or alternate.

Recently, SFS implemented Voucher Attachment in PeopleSoft. This form is not intended to replace the Voucher Attachment feature, but is merely another option to submit documentation.

Several districts have been involved in the pilot exercise and are currently submitting documents via email using the EVRC form. If your district would like to begin using this method, please contact Gina Martino at Martino_Gina@lacoe.edu or (562) 922-6633 for instructions and set up.

Please refer to the attachment for sample of form.

Approved:
Patricia Smith, Executive Director
Business and Finance

GM:It
Attachment

LACOE - VOUCHER CLAIM REQUEST FORM
DIVISION OF SCHOOL FINANCIAL SERVICES
COMMERCIAL CLAIMS SECTION

Contract/PO No.  Business Unit Number/District Name  Object Code

Payment Type

- Construction
- Consultant/Services
- Lease/Rental
- Supplies/Equipment
- Food
- Other

PAYEE  Vendor ID

[Enter PO Numbers here for multiple POs]

<table>
<thead>
<tr>
<th>PO No.</th>
<th>Voucher No.</th>
<th>Voucher Amt.</th>
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</tbody>
</table>

District Contact Name

Phone No  E-mail

Attach supporting information for audit of the above claim for payment

Notes

Click to view Documentation Guide and Checklist

COMMERCIAL CLAIMS ONLY
January 18, 2019

TO: Business and Accounting Administrators
Purchasing and Contract Officers
Los Angeles County K-12 Schools and Community College Districts

FROM: Nkeiruka Benson, Disbursement and Financial Systems Manager
Accounting and Financial Services
Division of School Financial Services

SUBJECT: COMPETITIVE BID LIMIT INCREASE TO $92,600

Public Contract Code (PCC) Section 20111(a) for school districts and Section 20651(a) for community college districts, respectively, require district governing boards to competitively bid before awarding any contract involving an expenditure of more than $50,000 for:

1. Purchase of equipment, materials, or supplies to be furnished, sold, or leased to the school district.
2. Services that are not construction services.
3. Repairs, including maintenance as defined in PCC Section 20115, that are not public projects as defined in PCC Section 22002(c).

The State Superintendent of Public Instruction (SSPI) is required to annually adjust the $50,000 amount to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services. The inflation amount is rounded to the nearest one hundred dollars ($100).

Pursuant to the above calculation, effective January 1, 2019, the SSPI has determined that the inflation adjusted bid threshold will increase by $2,400 from $90,200 to $92,600. Shown below are the inflation adjusted bid thresholds for the current and two prior years:

<table>
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<tr>
<th>Calendar Year</th>
<th>Bid Threshold</th>
<th>Percent Change in Implicit Price Deflator</th>
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<tr>
<td>January 1, 2017</td>
<td>$88,300</td>
<td>.63%</td>
</tr>
<tr>
<td>January 1, 2018</td>
<td>$90,200</td>
<td>2.20%</td>
</tr>
<tr>
<td><strong>January 1, 2019</strong></td>
<td><strong>$92,600</strong></td>
<td><strong>3.40%</strong></td>
</tr>
</tbody>
</table>
The $15,000 threshold for construction contracts under the PCC remains unchanged. The link to the CDE correspondence is [https://www.cde.ca.gov/fg/ac/co/bidthreshold2019.asp](https://www.cde.ca.gov/fg/ac/co/bidthreshold2019.asp).

For districts that adopted the CUPCCAA (California Uniform Public Construction Cost Accounting Act), limits have changed as follows:

<table>
<thead>
<tr>
<th>Code Section</th>
<th>Requirement</th>
<th>Limit</th>
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</thead>
<tbody>
<tr>
<td>PCC 22032(a)</td>
<td>No bid requirements. May be performed by employees of a public agency</td>
<td>$60,000 or less</td>
</tr>
<tr>
<td>PCC 22032(b)</td>
<td>Informal bid procedures (PCC 22034)</td>
<td>$200,000 or less</td>
</tr>
<tr>
<td>PCC 22032(c)</td>
<td>Formal bidding procedure</td>
<td>Over $200,000</td>
</tr>
</tbody>
</table>

**Commercial Claims – Amount Hold**

The amount hold threshold for all districts will automatically be increased to $92,600 effective January 1, 2019.

Please contact Luz Spanks at (562) 922-6454 or e-mail Spanks_Luz@lacoe.edu or Amy Honculada at (562) 922-6633 or e-mail Honculada_Amy@lacoe.edu if you have any questions regarding this bulletin.

Approved:
Patricia Smith, Executive Director
Business and Finance

NB:lt
Attachment

SFS-A40-2018-2019
20111.

a) The governing board of any school district, in accordance with any requirement established by that governing board pursuant to subdivision (a) of Section 2000, shall let any contracts involving an expenditure of more than fifty thousand dollars ($50,000) for any of the following:
   1) The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district.
   2) Services, except construction services.
   3) Repairs, including maintenance as defined in Section 20115, that are not a public project as defined in subdivision (c) of Section 22002.

The contract shall be let to the lowest responsible bidder who shall give security as the board requires, or else reject all bids.

b) The governing board shall let any contract for a public project, as defined in subdivision (c) Section 22002, involving an expenditure of fifteen thousand dollars ($15,000) or more, to the lowest responsible bidder who shall give security as the board requires, or else reject all bids. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder’s security:
   1) Cash.
   2) A cashier’s check made payable to the school district.
   3) A certified check made payable to the school district.
   4) A bidder’s bond executed by an admitted surety insurer, made payable to the school district.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the school district beyond 60 days from the time the award is made.

c) This section applies to all equipment, materials, or supplies, whether patented or otherwise, and to contracts awarded pursuant to subdivision (a) of Section 2000. This section shall not apply to professional services or advice, insurance services, or any other purchase or service otherwise exempt from this section, or to any work done by day labor or by force account pursuant to Section 20114.

d) Commencing January 1, 1997, the Superintendent of Public Instruction shall annually adjust the dollar amounts specified in subdivision (a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year. The annual adjustments shall be rounded to the nearest one hundred dollars ($100).
20651.

a) The governing board of any community college district shall let any contracts involving an expenditure of more than fifty thousand dollars ($50,000) for any of the following:
   1) The purchase of equipment, materials, or supplies to be furnished, sold, or leased to the district.
   2) Services, except construction services.
   3) Repairs, including maintenance as defined in Section 20656, that are not a public project as defined in subdivision (c) of Section 22002.

The contract shall be let to the lowest responsible bidder who shall give security as the board requires, or else reject all bids.

b) The governing board shall let any contract for a public project, as defined in subdivision (c) of Section 22002, involving an expenditure of fifteen thousand dollars ($15,000) or more to the lowest responsible bidder who shall give security as the board requires, or else reject all bids. All bids for construction work shall be presented under sealed cover and shall be accompanied by one of the following forms of bidder’s security:
   1) Cash.
   2) A cashier’s check made payable to the community college district.
   3) A certified check made payable to the community college district.
   4) A bidder’s bond executed by an admitted surety insurer, made payable to the community college district.

Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the district beyond 60 days from the time the award is made.

c) This section applies to all equipment, materials, or supplies, whether patented or otherwise. This section shall not apply to professional services or advice, insurance services, or any other purchase or service otherwise exempt from this section, or to any works done by force account pursuant to Section 20655.

d) Commencing January 1, 1997, the Board of Governors of the California Community Colleges shall annually adjust the dollar amounts specified in subdivision (a) to reflect the percentage change in the annual average value of the Implicit Price Deflator for State and Local Government Purchases of Goods and Services for the United States, as published by the United States Department of Commerce for the 12-month period ending in the prior fiscal year. The annual adjustments shall be rounded to the nearest one hundred dollars ($100).
January 28, 2016

TO: Business and Accounting Administrators
Los Angeles County K-12 School and Community College Districts, and
Other Local Educational Agencies

FROM: Nkeiruka Benson, Disbursement and Financial Systems Manager
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Commercial Claims Processing Update– Requests for Global Vendor Set Up and Changes

Purpose and Background

This bulletin announces the addition of Financial Aid to the type of payments exempt from audit and
amount hold for global vendors.

Global Vendor Designation

A global vendor is a vendor who is exempt from audit and amount hold. Vendors can be established as
Global Vendors for any of the following payments with the fund/object combination:

<table>
<thead>
<tr>
<th>Type of Payment</th>
<th>Fund Code</th>
<th>Object Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fringe Benefits</td>
<td>All Funds</td>
<td>3400-3499/3700-3799</td>
</tr>
<tr>
<td>Fringe Benefits Offsetting Accounts</td>
<td>All Funds</td>
<td>9525-9589</td>
</tr>
<tr>
<td>Utilities</td>
<td>All Funds</td>
<td>5500-5539/5550-5599/5900-5999</td>
</tr>
<tr>
<td>Employee Benefits (Self Insurance Funds)</td>
<td>67.x</td>
<td>5800-5899</td>
</tr>
<tr>
<td>Associated Student Trust Fund</td>
<td>71.x</td>
<td>5800-5899</td>
</tr>
<tr>
<td>Financial Aid (New)</td>
<td>74.0 (New)</td>
<td>7530/7531/7550 (New)</td>
</tr>
<tr>
<td>Withholding/Payroll Liabilities</td>
<td>76.0</td>
<td>9511-9518</td>
</tr>
</tbody>
</table>

To ensure vouchers for global vendors are not held up, the vendor code used should be classified as global
and the account string an allowable fund/object combination.

Procedures and Required Documentation to Request Global Vendor Set Up

1. District sets up the vendor in the PeopleSoft Financial System (PSFS) with a classification of “Supplier”
   (S) or other applicable classification in the vendor set-up panel.
2. District completes Form G1 - Request for Global/Exempt Vendor Set Up (Attachment 1).
3. An authorized signatory signs the form and district sends the completed Form G1 to SFS,
   Commercial Claims Unit, together with a copy of a bill or letter from the vendor showing the address
   and the vendor name as shown in Form G1 as documentation.
4. Upon approval by SFS, the approved form with the signatures will be sent back to the district.
Important

Once the vendor classification is global, the district cannot change any vendor information (i.e. address) in their system. Changes to a global vendor should only be done through SFS by submitting a Form G2 – Request for Action on Global/Exempt Vendor (Attachment 2) to the Commercial Claims Unit.

Interfacing districts should not change any information of a global vendor via the interface process. Doing so will automatically reverse the vendor Global classification to “Supplier” and vouchers will not be exempt from audit or amount hold.

Procedures and Required Documentation for Changes to a Global Vendor

1. District completes Form G2 indicating the type of change requested. Although the form shows multiple types of change, fill out one form for each type of change.
2. An authorized signatory signs the form and district forwards the completed form to SFS, Commercial Claims Unit, together with a copy of a bill or letter from the vendor showing the new address or the new vendor name as requested in Form G2.
3. Upon approval, the form will be sent back to the district.

Procedures and Required Documentation for a Global Exempt/EFT Vendor Set Up

There are two stages in setting up for EFT payment – Associate and Confirm.

Associate

1. Vendor has to fill out Form 503-913 Electronic Funds Transfer (EFT) Payment Enrollment (Attachment 3).
2. Upon receipt of completed Form 503-913, authorized district personnel will “Associate” the bank to the vendor and create a 4-digit Bank Account Identification in the process.
3. District completes Form G3 - Request for Action on Global/Exempt EFT Vendors (Attachment 4) and check off the “Associate” box.
4. An authorized signatory signs the form and district forwards the completed Form G3 to SFS, Commercial Claims Unit, together with a copy of completed 503-913.
5. When approved by SFS, the approved form will be sent back to the district.

Confirm

6. When the district receives the approved “Associate” request, the district will complete another Form G3 (Attachment 4), this time checking off the “Confirm” box.
7. The completed form should be signed by an authorized signatory and sent to SFS, Commercial Claims Unit, together with the approved “Associate” form.
8. When approved by SFS, the form with approving signatures will be sent back to the district.
9. After confirmation, the EFT setup for the global vendor is complete.
Procedures and Required Documentation to change a bank account on Global Exempt/EFT Vendor

The procedures to change a bank account are the same as the procedures in setting up EFT payment, except the district will check off the “Change” box in Form G3 (Attachment 4).

The global vendor forms may be accessed on the website: www.lacoe.edu/commercialclaims, select appropriate form under “Documents & Forms”.

Should you have any questions regarding the bulletin, please contact Luz Spanks at (562) 922-6454 or by e-mail at spanks_luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

NB:lg
Attachments

SFS-43-2015-16
**REQUEST FOR GLOBAL/EXEMPT VENDOR SET-UP**
(Form G1)

<table>
<thead>
<tr>
<th>DATE</th>
<th>DISTRICT NUMBER</th>
<th>DISTRICT NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>VENDOR ID</th>
<th>VENDOR NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Please establish the above vendor as Global/Exempt: *(Provide exact description as entered in PeopleSoft)*

<table>
<thead>
<tr>
<th>NAME 1</th>
<th>NAME 2</th>
<th>SHORT NAME</th>
<th>ADDRESS 1</th>
<th>ADDRESS 2</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Vendors may be established as Global ONLY for payment of any of the following *(Choose one)*:

<table>
<thead>
<tr>
<th>Type of Payment</th>
<th>Fund Code</th>
<th>Object Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fringe Benefits</td>
<td>All Funds</td>
<td>3400-3499/3700-3799</td>
</tr>
<tr>
<td>Fringe Benefits Offsetting Accounts</td>
<td>All Funds</td>
<td>9525-9589</td>
</tr>
<tr>
<td>Utilities</td>
<td>All Funds</td>
<td>5500-5539/5550-5599/5900-5999</td>
</tr>
<tr>
<td>Employee Benefits (Self Insurance Funds)</td>
<td>67.x</td>
<td>5800-5899</td>
</tr>
<tr>
<td>Associated Student Trust Fund</td>
<td>71.x</td>
<td>5800-5899</td>
</tr>
<tr>
<td>Financial Aid</td>
<td>74.0</td>
<td>7530/7531/7550</td>
</tr>
<tr>
<td>Withholding/Payroll Liabilities</td>
<td>76.0</td>
<td>9511-9518</td>
</tr>
</tbody>
</table>

PRINTED NAME AND TITLE OF AUTHORIZED SIGNATORY

DISTRIBUT AUTHORIZED SIGNATURE

DISTRICT CONTACT NAME

DISTRICT SECTION/CONTACT NUMBER

DISTRICT CONTACT EMAIL ADDRESS

---

**For Commercial Claims Unit use only**

<table>
<thead>
<tr>
<th>PROCESSED BY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SIGNATURE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>APPROVED BY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SIGNATURE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**For HRS-Operations Unit use only**

<table>
<thead>
<tr>
<th>PROCESSED BY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DATE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DATE SENT TO DISTRICT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Send completed form with proof of vendor name and address (i.e. letter or bill from vendor) to:

Division of School Financial Services
Commercial Claims Unit
Los Angeles County Office of Education
9300 Imperial Highway, Downey, CA 90242
Fax: (562) 922-6365

FORM NO. 503-927 Rev. 01/04/2016
Attachment 1
Info. Bul. No. 4291
SFS-43-2015-2016
A. □ Inactivate Vendor  
   Effective Date: ____________________

B. □ Vendor Name Change  
   From ____________________________ To ____________________________
   Name 1: __________________________
   Name 2: __________________________
   Alternate Name: ____________________
   Short Name: ________________________

C. Vendor Address Change  
   For Address#: ____________________________
   □ Inactivate Address  
   □ Change Address  
   □ Add Address  
   From ____________________________ To ____________________________
   Address 1: __________________________
   Address 2: __________________________
   Address 3: __________________________
   Address 4: __________________________
   State, ZIP Code: ____________________

D. Other Changes  
   From ____________________________ To ____________________________
   □ Payment Terms  
   □ Other (Please describe) __________________________________________________________________________

PRINTED NAME AND TITLE OF AUTHORIZED SIGNATORY  
DISTRICT AUTHORIZED SIGNATURE  
DATE

DISTRICT CONTACT NAME  
DISTRICT SECTION/CONTACT NUMBER  
DISTRICT CONTACT EMAIL ADDRESS

For Commercial Claims Unit use only:  
PROCESSED BY ____________________________
SIGNATURE ____________________________ DATE ____________________________
APPROVED BY ASST. DIRECTOR-ACCOUNTING DESIGNEE ____________________________
SIGNATURE ____________________________ DATE ____________________________

For HRS-Operations Unit use only:  
PROCESSED BY ____________________________
DATE ____________________________
DATE SENT TO DISTRICT ____________________________
Electronic Funds Transfer (EFT) Payment Enrollment Form

This form is used for Automated Clearing House (ACH) payments with an addendum record that contains payment related information processed through the PeopleSoft Financial System by the Los Angeles County Office of Education. Recipients of these payments should bring this information to the attention of their financial institution when presenting this form for completion.

**PRIVACY ACT STATEMENT**

The following information is provided to comply with Privacy Act of 1974. All information collected on this form is required under the provision of 31 U.S.C. 3322 and 31 CFR 210. This information will be used by the Los Angeles County Office of Education to transmit payment data, by electronic file transfer to vendor's financial institution. Failure to provide the requested information may delay or prevent the receipt of payments through the Automated Clearing House Payment System.

**ACCOUNT VALIDATION**

For the purpose of EFT payments, vendors are requested to ensure the account specified on this enrollment form remains active. Vendors shall notify the appropriate party(s) for any changes related to the ability of the specified account to receive ACH payment.

- Vendors complete Sections I and II.
- Financial Institutions complete Section III.
- Local Educational Agencies complete Section IV.

**Section I - Please check appropriate box(es).**

- New EFT Account
- Change in Bank Account or Mailing Address or Contact
- Delete EFT Account

**Section II**

**PAYEE/COMPANY INFORMATION**

<table>
<thead>
<tr>
<th>NAME OF PAYEE/COMPANY</th>
<th>FEIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADDRESS OF PAYEE/COMPANY (NUMBER, STREET, CITY, STATE, AND ZIP CODE)</td>
<td></td>
</tr>
<tr>
<td>NAME OF CONTACT PERSON</td>
<td>TELEPHONE NUMBER</td>
</tr>
</tbody>
</table>

I hereby authorize the Los Angeles County Office of Education to initiate credit entries for vendor payments to the account indicated below, and the depository named below is authorized to credit such account. Pursuant to the National Automated Clearing House Association rules, the Los Angeles County Office of Education may initiate a reversing entry or reversing file to recall a duplicate or erroneous entry or file which they previously initiated. If the reversal attempt fails, the Los Angeles County Office of Education may employ other appropriate means to correct the error.

<table>
<thead>
<tr>
<th>AUTHORIZED SIGNATURE</th>
<th>DATE SIGNED</th>
</tr>
</thead>
<tbody>
<tr>
<td>TITLE</td>
<td></td>
</tr>
</tbody>
</table>

**Section III**

**FINANCIAL INSTITUTION INFORMATION**

| NAME OF FINANCIAL INSTITUTION |
| ADDRESS (NUMBER, STREET, CITY, STATE, AND ZIP CODE) |
| NAME OF ACH COORDINATOR (PLEASE PRINT) | TELEPHONE NUMBER |
| NINE DIGIT ROUTING TRANSIT NUMBER: | TYPE(S) OF ACCOUNT |
| DEPOSITOR ACCOUNT NUMBER (NOT TO EXCEED 17 DIGITS) | SAVINGS | CHECKING |

FORM NO. 503-913 Rev. 08-03-2006
INSTRUCTIONS FOR COMPLETING ENROLLMENT FORM

1. **Section I - Desired Activity**
   Payee checks the box indicating the desired action, e.g. **ADD**, **MODIFY**, or **DELETE**

2. **Section II - Payee/Company Information Section**
   Payee prints or types the name of the payee/company and address that will receive ACH vendor payments, Federal Employer ID (FEIN), designated contact person and assigned telephone number.

3. **Section III - Financial Institution Information Section**
   Financial institution prints or types the name and address of the payee/company's financial institution who will receive the ACH payment, ACH coordinator name and telephone number, nine-digit routing transit number, depositor (payee/company) account title and account number. The financial institution also enters type of account to be used, e.g. checking or savings into the appropriate box.

   Footnote - A voided check or savings deposit slip may be required by the Local Educational Agency for the verification of bank account and routing transit numbers. An example of a voided check, shown below, indicates where to locate the routing transit number for your bank and your bank account number. Remember to mark the word "VOID" across the front of your check or savings deposit slip.

   ![Example of a voided check](image)

   - **Check number**: (1) 1:133404567
   - **Bank Account Number (not to exceed 17 digits)**: (2) 1:123456130411
   - **9-digit Routing Transit Number**: (3)

4. **Section IV - Local Educational Agency Information Section**
   Local Educational Agency types or prints name and address of the agency and provides contact information.
# REQUEST FOR ACTION ON GLOBAL/EXEMPT EFT VENDORS

## Form G3

### Fields

<table>
<thead>
<tr>
<th>DATE</th>
<th>BANK CODE</th>
<th>ACCOUNT CODE</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>DISTRICT NUMBER</th>
<th>DISTRICT NAME</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>VENDOR ID</th>
<th>VENDOR NAME</th>
</tr>
</thead>
</table>

### A. Associate the ACH Bank Account for the Global Vendor above: (Attach completed Form 503-913)

- **Bank Account established (by District) in PeopleSoft for this Vendor**
  - **BANK NAME**
  - **BANK ACCOUNT NUMBER**
  - **DESCRIPTION (SHOULD MATCH VENDOR NAME)**

### B. Confirm Global Vendor Bank Account (only if the setup in Step A is completed earlier): (Attach copy of the original approved "Association" request Form G3)

### C. Un-Confirm Global Vendor Bank Account (the default payment method for this Vendor will revert back to Warrant Payment Method) (Attach copy of the original approved "Confirmation" request Form G3)

- **BANK CODE**
- **ACCOUNT CODE**
- **BANK NAME**
- **BANK ACCOUNT NUMBER**

### D. Change Global Vendor Bank Account (follow-up with a pre-confirm payment):

- **From:**
  - **BANK CODE**
  - **ACCOUNT CODE**
  - **BANK NAME**
  - **BANK ACCOUNT NUMBER**

- **To:**
  - **BANK CODE**
  - **ACCOUNT CODE**
  - **BANK NAME**
  - **BANK ACCOUNT NUMBER**

### Additional Information

- **PRINTED NAME AND TITLE OF AUTHORIZED SIGNATORY**
- **DISTRICT AUTHORIZED SIGNATURE**
- **DATE**

- **DISTRICT CONTACT NAME**
- **DISTRICT SECTION/CONTACT NUMBER**
- **DISTRICT CONTACT EMAIL ADDRESS**

### Notes

- **For Commercial Claims Unit use only**
  - **PROCESSED/DENIED BY**
    - **SIGNATURE**
    - **DATE**
    - **REASON FOR DENIAL**
    - **APPROVED BY:** ASSIST. DIRECTOR ACCOUNTING OR DESIGNEE
    - **SIGNATURE**
    - **DATE**

- **For HRS-Operations Unit use only**
  - **PROCESSED BY**
    - **SIGNATURE**
    - **DATE**
    - **DATE MAILED TO DISTRICT**
    - **SIGNATURE**
    - **DATE**

---

**Send completed form to:**
Division of School Financial Services Commercial Claims Unit
Los Angeles County Office of Education
9300 Imperial Highway, Downey, CA 90242
Fax: (562) 922-6365

*FORM NO. 503-928 Rev. 08/08/2013*  
Attachment 4  
Info. Bul. No. 4291  
SFS-43-2015-2016
March 17, 2016

TO: Business Administrators
Los Angeles County K-12 School Districts and Community College Districts
Regional Occupational Centers/Programs (ROC/Ps) and
Selected Joint Powers Authorities

FROM: Nkeiruka Benson, Disbursement and Financial Systems Manager
Accounting and Financial Services
Division of School Financial Services

SUBJECT: Voucher Backup Documentation Delivery Method

IMPORTANT INFORMATION

This is a follow up to the recent survey we conducted on Paperless Initiative-Voucher Backup Documentation Bulletin #4258 dated December 10, 2015.

Based on the survey results (see summary results attached), we will be eliminating the JET mail Commercials Claims backup document delivery method effective July 1, 2016. We are allowing time for staff at the districts using JET Mail to transition to the electronic delivery methods. We will also provide any assistance needed for this transition. Eliminating the Jet Mail method does not only support the paperless initiative, it also makes the process of receiving and retrieving backup documents more efficient.

We are making efforts to speed up the voucher approval process. It is recommended that districts select one electronic method, either Peoplesoft Voucher Attachment or Electronic Voucher Attachment, rather than using both. When different methods are used by different staff at the districts, it slows down the retrieving and reviewing process of the backup documents. Although district staff still have the option to use different electronic delivery methods, there is a risk of slowing down their voucher approval process.

Should you have any questions regarding this bulletin, please contact Luz Spanks at (562) 922-6454 or by e-mail at Spanks_Luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

NB:lg
Attachment

SFS-47-2015-2016
### Summary Survey Results

<table>
<thead>
<tr>
<th>Method of Submitting document</th>
<th>No of Districts (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>JET MAIL</td>
<td>32.5%</td>
</tr>
<tr>
<td>Varies by staff</td>
<td>30.0%</td>
</tr>
<tr>
<td>Email Attachment</td>
<td>25.0%</td>
</tr>
<tr>
<td>Peoplesoft Attachment</td>
<td>10.0%</td>
</tr>
<tr>
<td>FAX</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

The chart below visualizes the distribution of document submission methods as follows:

- **JET MAIL**: 32.5%
- **Varies by staff**: 30.0%
- **Email Attachment**: 25.0%
- **Peoplesoft Attachment**: 10.0%
- **FAX**: 2.5%

The total percentage adds up to 100%.
### JET MAIL

<table>
<thead>
<tr>
<th>Why your district prefers this method</th>
<th>No of Districts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time consuming to scan documents</td>
<td>3</td>
</tr>
<tr>
<td>Not a preference, just old practice</td>
<td>2</td>
</tr>
<tr>
<td>Thought it was LACOE's requirement</td>
<td>2</td>
</tr>
<tr>
<td>Need time and training to move to the electronic attachment</td>
<td>2</td>
</tr>
<tr>
<td>Will prefer electronic if it's faster</td>
<td>2</td>
</tr>
<tr>
<td>Use electronic sometimes</td>
<td>2</td>
</tr>
</tbody>
</table>

![Bar chart showing preferences]

- **Time consuming to scan documents**
- **Not a preference, just old practice**
- **Thought it was LACOE's requirement**
- **Need time and training to move to the electronic attachment**
- **Will prefer electronic if it's faster**
- **Use electronic sometimes**

Attachment to:
- Info. Bul. No. 4304
- SFS-47-2015-2016

Commercial Claims Unit         January, 2016
August 15, 2016

TO: Accounts Payable Administrators
Business and Accounting Administrators
Los Angeles County K-12 School and Community College Districts, and
Other Local Educational Agencies (LEAs)

FROM: Terry Macalalad, Enterprise Financial Systems Consultant
Accounting and Financial Services
Division of School Financial Services


The Los Angeles County Office of Education (LACOE) is pleased to introduce two new inquiry panels available in the PeopleSoft Accounts Payable Module. The first panel is Audit Hold Ranges, allowing district staff to view the auditable objects and the district’s threshold amount that will flag a voucher to audit or amount hold. The second panel is an inquiry into Global Vendor Overrides. This is a list of fund and object combinations used in a voucher that will bypass or override audit and amount hold.

Inquire – Audit Hold Ranges

In PSFS, navigate to Enter Voucher Information. On the Inquire tab, select Audit Hold Ranges. The panel will display auditable object ranges (Y on the Hold column), threshold amount, and a general description of the object range taken from the California School Accounting Manual (CSAM) as well as PeopleSoft object definitions.
Inquire – Global Vendor Overrides

Navigate to Enter Voucher Information. On the Inquire tab, select Global Vendor Overrides. The panel will display the fund and object combinations when used in all lines of a voucher that will override audit and amount hold. The vendor must also be classified as a global vendor (please see LACOE Bulletin #4291 Commercial Claims Processing Update – Requests for Global Vendor Set Up and Changes dated 1/27/2016).

For example: Looking at the first line, a voucher using any fund with object range 3400-3499 (health and welfare benefits) and payable to a global vendor will bypass audit and amount hold.

The inquiry panels are available online with the most recent information.

Contact Information

If you have questions or need assistance regarding the inquiry panels, please contact any of the following:

Angie Paguio (562) 922-6633 Paguio_Angie@lacoe.edu
Raul Regalado (562) 922-6167 Regalado_Raul@lacoe.edu
Carmen Dimayuga (562) 922-6862 Dimayuga_Carmen@lacoe.edu

For all other questions related to this bulletin, please contact me at (562) 922-6181 or email Macalalad_Terry@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

TM:lt
SFS-A3-2016-2017
August 16, 2016

TO: Business Administrators
Los Angeles County School and Community College Districts and Other Local Educational Agencies

FROM: Nkeiruka Benson, Disbursements & Financial Systems Manager
Disbursements & Financial Services
Division of School Financial Services

SUBJECT: Inspection of Work/Inspector and Architect Requirement on Works of Design, Construction, Alterations, or Additions to Any School Buildings Per the Field Act Education Codes (EC) 17280-17317

---

Progress and final payments on works of design, construction, alterations, or additions cannot be processed without the required architect and inspector signatures.

This bulletin is a reminder that "no contract for the construction or alteration of any school building, made or executed by the governing board of any school district or other public board, body, or officer otherwise vested with authority to make or execute a contract, is valid, and no public money shall be paid for any work done under a contract or for any labor or materials furnished in constructing or altering any building, unless the plans, specifications, and estimates comply in every particular with the provisions of this article and the requirements prescribed by the Department of General Services and unless the approval thereof in writing has first been had and obtained from the Department of General Services" [EC17307].

"Construction or alteration" as used in this article includes any construction, reconstruction, alteration of, or addition to, any school building. [EC17294]

Summarized below are the Department of General Services (DGS) approval requirements. Please refer to Ed Code 17295 for more details.

- Plans that require approval are for the construction or, if the estimated cost exceeds one hundred thousand ($100,000), the alteration of any school building.
Plans where the estimated cost exceeds one hundred thousand dollars ($100,000), but does not exceed two hundred twenty-five thousand dollars ($225,000), a determination has to be made by a licensed structural engineer if the alteration is nonstructural or structural. For nonstructural alterations, DGS require a statement indicating so by the licensed structural engineer.

If a licensed structural engineer submits a report to the DGS stating that the plans or activities authorized do not involve structural elements, then all of the following shall apply:

1. The design professional shall certify that the plans and specifications meet applicable fire and life safety standards, and do not affect the disabled access requirements of Section 4450 of the Government Code.

2. Within 10 days of completion, the inspector of record on the project shall certify in writing to DGS that the reconstruction, alteration, or addition has been completed in compliance with the plans and specifications.

“Design professional” here, means the licensed architect, licensed structural engineer, or licensed civil engineer who is responsible for the completion of the design work involved with the project.

The signatures of Architect, Inspector, Contractor, and District Representative on Application and Certificate for Payment accompanying each progress payment requests are required on works that must comply with the Field Act. A sample form is attached in this bulletin and is available on the Commercial Claims website at:


If you have any questions in reference to this bulletin, please contact Luz Spanks at (562) 922-6454 or Spanks_Luz@lacoe.edu.

Approved:
Patricia Smith, Executive Director
Business and Finance

TM:lg
Attachments

SFS-A11-2016-17
EC 17280.  
(a) (1) The Department of General Services under the police power of the state shall supervise the design and construction of any school building or the reconstruction or alteration of or addition to any school building, if not exempted under Section 17295, to ensure that plans and specifications comply with the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Code of Regulations, and to ensure that the work of construction has been performed in accordance with the approved plans and specifications, for the protection of life and property. Nothing in this section shall be construed to allow a school district to perform work with its own forces in excess of the limitations set forth in Sections 17595 and 17599. In calculating the cost of any project of reconstruction or alteration of, or addition to, any school building for the purpose of determining the applicability of the rules and regulations adopted pursuant to this article and building standards published in Title 24 of the California Code of Regulations, the Department of General Services shall not include, as an element of that cost, any expenses of air-conditioning equipment or insulation materials for that building, or of installing the equipment or materials.  (2) In the alternative, for a leased or purchased building, a school district may comply with this section by complying with Section 17280.5. 

(b) Whenever repairs due to fire damage, not including any damage caused by wind or earthquake, must be made to any school building previously approved by the Department of General Services, the approved plans and specifications used in the original work under then existing rules, regulations, and building standards may be used without modification, providing all other provisions of this article are carried out.  

(c) Notwithstanding any other provision of law, no school district shall be authorized to construct or reconstruct any school building, regardless of the source of funding, unless and until the governing board of the district, by resolution, has indicated the agreement of the district that any school building construction or reconstruction that exceeds those construction costs and allowable area standards or any allowable building area computed for an attendance area pursuant to Section 17041 shall, in the event of the district's subsequent application for state funding for school facility construction, be deducted from the allowable building area for which the district would otherwise have been eligible, which restriction shall not be subject to waiver or exception as otherwise may be provided by law.  

(d) If it is determined that, for any reason, a school district failed to comply with the requirement of this section, the district shall not be eligible for any additional building area pursuant to Section 17049 and may be denied any time priority established for the particular project pursuant to Section 17016.
EC 17295.
(a) (1) The Department of General Services shall pass upon and approve or reject all plans for the construction or, if the estimated cost exceeds one hundred thousand dollars ($100,000), the alteration of any school building.
(2) To enable the Department of General Services to pass upon and approve plans pursuant to this subdivision, the governing board of each school district and any other school authority before adopting any plans for the school building shall submit the plans to the Department of General Services for approval, and shall pay the fees prescribed in this article.
(b) Notwithstanding subdivision (a), where the estimated cost of the reconstruction or alteration of, or an addition to, any school building exceeds one hundred thousand dollars ($100,000), but does not exceed two hundred twenty-five thousand dollars ($225,000), a licensed structural engineer shall examine the proposed project to determine if it is a nonstructural alteration or a structural alteration. If he or she determines that the project is a nonstructural alteration, he or she shall prepare a statement so indicating. If he or she determines that the project is structural, he or she shall prepare plans and specifications for the project which shall be submitted to the Department of General Services for review and approval. A copy of the engineer’s report stating that the work does not affect structural elements shall be filed with the Department of General Services.
(c) If a licensed structural engineer submits a report to the Department of General Services stating that the plans or activities authorized pursuant to subdivision (b) do not involve structural elements, then all of the following shall apply to that project:
(1) The design professional in responsible charge of the project undertaken pursuant to this subdivision shall certify that the plans and specifications for the project meet any applicable fire and life safety standards, and do not affect the disabled access requirements of Section 4450 of the Government Code, and shall submit this certification to the Department of General Services. The letter of certification shall bear the identifying licensing stamp or seal of the design professional. This paragraph does not preclude a design professional from submitting plans and specifications to the Department of General Services along with the appropriate fee for review.
(2) Within 10 days of the completion of any project authorized pursuant to subdivision (b), the school construction inspector of record on the project, who is certified by the Department of General Services to inspect school buildings, shall certify in writing to the Department of General Services that the reconstruction, alteration, or addition has been completed in compliance with the plans and specifications.
(3) The dollar amounts cited in this section shall be increased on an annual basis, commencing January 1, 2018, by the Department of General Services according to an inflationary index governing construction costs that is selected and recognized by the Department of General Services.
(4) No school district shall subdivide a project for the purpose of evading the limitation on amounts cited in this section.
(d) For purposes of this section, “design professional in responsible charge” or “design professional” means the licensed architect, licensed structural engineer, or licensed civil engineer who is responsible for the completion of the design work involved with the project.
EC 17307.5
(a) Notwithstanding any provision of law to the contrary, including, but not limited to, Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, the Department of General Services may issue a stop work order when construction work on a public school is not being performed in accordance with existing law and would compromise the structural integrity of the building, thereby endangering the public safety. The Department of General Services shall allow construction of incidental and minor nonstructural additions or nonstructural alterations without invoking its stop work authority.
APPLICATION AND CERTIFICATE FOR PAYMENT

TO (OWNER):

FROM (CONTRACTOR):

CONTRACT FOR:

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for Payment, as shown, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM ........................................ $  
2. Net change by Change Orders ........................................ $  
3. CONTRACT SUM TO DATE (Line 1+2) .............................. $  
   (Column G on G702) 
4. TOTAL COMPLETED & STORED TO DATE ......................... $  
   (Column G on G702) 
5. RETAINAGE:  
   a. % of Completed Work ........................................... $  
      (Column D+E)  
   b. % of Stored Material ........................................... $  
      (Column F on G703)  
   Total Retainage (Line 5a + 5b or 
   Total in Column 1 of G702) ........................................ $  
6. TOTAL EARNED LESS RETAINAGE ................................. $  
   (Line 4 less Line 5 Total) 
7. LESS PREVIOUS CERTIFICATES FOR 
   PAYMENT (Line 6 from prior Certificate) ....................... $  
8. CURRENT PAYMENT DUE ........................................... $  
9. BALANCE TO FINISH, PLUS RETAINAGE ........................ $  
   (Line 3 less Line 9) 

CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Architect/Inspector certifies to the Owner that to the best of the his/her knowledge, information and belief, the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED .................................................. $  

Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount certified.

CONSTRUCTION MANAGER

By: ______________ Date: ______________

ARCHITECT:

By: ______________ Date: ______________

PROJECT INSPECTOR

By: ______________ Date: ______________

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.
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<td>SCHEDULED VALUE FROM PREVIOUS APPLICATION (D+E)</td>
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October 17, 2016

TO: Business, Payroll and Personnel Administrators
Los Angeles County School and Community College Districts
Charter Schools and Other Local Educational Agencies

FROM: April Reynolds, Payroll Systems Coordinator
District Personnel Information Services
Division of School Financial Services

SUBJECT: Processing of HRS Warrants Issued to Employees Who Are Now Deceased

Districts may be in possession of uncashed payroll warrants issued to employees who are now deceased. In 2015 a new procedure was implemented which allows districts more control in processing such warrants, and beneficiaries with easier access to the funds. This bulletin provides more information on this process and provides answers to frequently asked questions.

The process for releasing these warrants is pursuant to district procurement of the following:

- A valid Warrant Recipient Designation form executed by the employee, or
  - Submission of court Letters of Administration or Letters of Testamentary, or
  - An affidavit allowing the release of funds to a beneficiary, and
- Proof of death.

An example of a Warrant Recipient Designation form is included as an attachment to this bulletin. Districts should encourage all employees to update this form every five years, or when a life change occurs.

Districts can expect a few business days turnaround upon receipt of the appropriate documentation.
PROCEDURE

District Accounting/Payroll Units wishing to re-issue wages to a qualified beneficiary should perform the following steps:

- Secure the uncashed payroll “A” Warrant.
- Produce a valid Warrant Recipient Designation or other legal documentation permitting wage distribution to a beneficiary, as mentioned on the previous page.
- Create a voucher in PeopleSoft for the net amount of the original “A” Warrant.
- Make note of the original “A” Warrant number in the voucher comment section.
- Charge Object code 9601, Employee Final Pay Liability Account.
- Scan and email all documents and the original warrant to SFS Payroll/Legal Claims for verification and approval.
- Return the original warrant to SFS Payroll/Legal Claims via JET delivery.
- Upon email approval of the replacement, create journal entry for the cancellation of the original payroll warrant.

Please note that Districts should not cancel the “A” Warrant in HRS. Upon receipt, SFS Payroll/Legal Claims will perform a “stop payment” transaction on the original warrant.

If you have questions, please contact the corresponding area:

<table>
<thead>
<tr>
<th>Subject Matter</th>
<th>Contact Person</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Claims:</td>
<td>Veronica Gutierrez</td>
<td><a href="mailto:Gutierrez_Veronica@lacoe.edu">Gutierrez_Veronica@lacoe.edu</a></td>
</tr>
<tr>
<td>Voucher approval/release</td>
<td>Angie Paguio</td>
<td><a href="mailto:Paguio_Angie@lacoe.edu">Paguio_Angie@lacoe.edu</a></td>
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<tr>
<td>Payroll/Legal Claims:</td>
<td>Nekeara Ellzey</td>
<td><a href="mailto:Ellzey_Nekeara@lacoe.edu">Ellzey_Nekeara@lacoe.edu</a></td>
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<tr>
<td>Documentation verification</td>
<td>April Reynolds</td>
<td><a href="mailto:Reynolds_April@lacoe.edu">Reynolds_April@lacoe.edu</a></td>
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<tr>
<td>PeopleSoft:</td>
<td>Terry Macalalad</td>
<td><a href="mailto:Macalalad_Terry@lacoe.edu">Macalalad_Terry@lacoe.edu</a></td>
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<tr>
<td>GL and AP Support</td>
<td>Rolando Perey</td>
<td><a href="mailto:Perey_Rolando@lacoe.edu">Perey_Rolando@lacoe.edu</a></td>
</tr>
</tbody>
</table>

Approved:
Sean Lewis, Assistant Director
School Financial Services, DPIS

SL:sm
Attachments

SFS-A19-2016-2017
Frequently Asked Questions
Processing of Warrants Issued
To Employees Who Are Now Deceased

- Where do I start?
  o Secure the payroll warrant and gather the required documentation.

- We don’t have a Warrant Recipient Designation on file for this employee. Where do I obtain an affidavit?
  o Contact SFS Payroll/Legal Claims.

- The named Warrant Recipient Designation beneficiary is deceased. What should we do now?
  o Provide the family or next-of-kin with the option of providing court Letters of Administration or completion of an affidavit.

- Can an employee designate more than one beneficiary?
  o Yes. If more than one primary beneficiary is named, the net amount of the original payroll warrant should be divided equally.

- What if the designated beneficiary is a minor?
  o A minor can receive the payment. If there is no designated beneficiary and the child is immediate family, the parent or guardian of the child can submit an affidavit on his/her behalf.

- Can the beneficiary be located in another country? Can the beneficiary be an undocumented person?
  o Yes, in both cases.

- Can a trust be listed as a beneficiary?
  o Yes. However, if the employee names a trustee, the check will be payable to the trustee as an individual.

- What if we cannot locate the designated beneficiary for distribution?
  o Districts should develop policies for situations such as this. When in doubt, consult district General Counsel.

- Do I have to wait for approval from LACOE before submitting the voucher in PeopleSoft?
  o No. You can enter the transaction at the time you submit the documents to SFS Payroll/Legal Claims.

- Do we need to return the original payroll warrant to LACOE?
  o Yes. Return the voided warrant to SFS Payroll/Legal Claims via JET mail.
• What if I need to make balance adjustments in HRS as a result of this transaction?
  o Complete and submit an “HRS Balance Adjustment Request – Deceased Employee” form, found on the LACOE SFS Payroll website. www.lacoe.edu/payroll

• What happens on the accounting side?
  o District makes the following accrual entry upon approval of the transaction (In this example of $100.00):
    - Credit - 01.0-00000.0-00000-00000-9601-0000000 (100.00)
    - Debit - 01.0-00000.0-00000-00000-9110-0000000 100.00

  o District’s B warrant request creates the following entries:
    - Debit - 01.0-00000.0-00000-00000-9601-0000000 100.00
    - Credit - 01.0-00000.0-00000-00000-9110-0000000 (100.00)

  o In effect, the credit and debit to 9601 should net to zero.
  o Timely year-end accounting is critical to ensure that both transactions affecting 9601 occur within the same fiscal year.
Under the provisions of Section 53245 of the California Government Code, in the event of my death I hereby designate the following named person to be entitled to receive all warrants payable to me by the ________________ Unified School District had I survived:

Beneficiary Information

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<tr>
<th>TYPE OR PRINT FULL NAME OF DESIGNEE</th>
<th>RELATIONSHIP TO EMPLOYEE</th>
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<th>ADDRESS (NUMBER, STREET, CITY, STATE AND ZIP CODE)</th>
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<th>PHONE NUMBER</th>
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Contingent Beneficiary Information

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<th>IF THE BENEFICIARY NAMED ABOVE IS NOT LIVING THEN PAY:</th>
<th>RELATIONSHIP TO EMPLOYEE</th>
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This designation cancels and replaces any previously signed by me for this purpose and shall remain in effect until cancelled in writing by me.

It is expressly understood and agreed that the ________________ Unified School District is not obligated to deliver said warrants to the person designated hereinafore unless said designated person, within two years after the date of said warrant or warrants, claims said warrants from the ________________ Unified School District and provides to said ________________ Unified School District sufficient proof of identity pursuant to the provisions of Section 53245 of California Government Code.

<table>
<thead>
<tr>
<th>TYPE OR PRINT FULL NAME OF EMPLOYEE</th>
<th>SIGNATURE OF EMPLOYEE</th>
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Attachment 2 to:
Info. Bul. No. 4475
SFS-A19-2016-2017