

EXHIBIT A

- B. Installed roof system shall withstand negative (uplift) design wind loading pressures complying with ACSE 7-5 and ANSI/SPRI ES1.

PART 2 — PRODUCTS

2.1 PRODUCTS, GENERAL

- A. Refer to Division 01 Section Common Product Requirements.
- B. Basis of Design: Materials, manufacturer's product designations, and/or manufacturer's names specified herein shall be regarded as the standard.

2.2 ACCEPTABLE MANUFACTURERS

- A. The design is based upon roofing systems engineered and manufactured by [REDACTED]:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
Telephone: [REDACTED]
email: [REDACTED]

2.3 DESCRIPTION

- A. Modified bituminous roofing work including but not limited to:
1. One ply of [REDACTED] StressBase 80 base sheet bonded to the prepared substrate with bitumen.
 2. Hot Bitumen: ASTM D312, Type III steep asphalt having the following characteristics:
 - a. Softening Point 185°F - 205°F
 - b. Flash Point 500°F
 - c. Penetration @ 77°F 15-35 units
 - d. Ductility @ 77°F 2.5 cm
 3. Base Flashing Ply: One (1) ply of StressBase 80 mil SBS base flashing ply covered by an additional layer of modified bitumen membrane and set in bitumen.
 4. Modified Membrane: STRESSPLY PLUS FR MINERAL - Environmentally Friendly; 145 mil SBS (Styrene-Butylene-Styrene) mineral surfaced, rubber modified roofing membrane incorporating recycled rubber, fire retardant characteristics and reinforced with a fiberglass and polyester composite scrim.

This document is from a 2010 high school re-roofing project. A single manufacturer is named as the "Acceptable Manufacturer," and the document includes the name and phone number of the company's sales representative. Public Contract Code Section 3400 prohibits any public agency from calling for a specific brand unless "the specification is followed by the words "or equal" so that bidders may furnish any equal material."

EXHIBIT B

2.05 MODIFIED ASPHALT EMULSION FOR ROOFING AND FLASHING

A. Single component, clay stabilized asphalt modified emulsion

B. Product/Producer:
1. ERS 100 or equal.

PHYSICAL PROPERTIES: MODIFIED EMULSION

Property	Test Method	Result
Wt/gal, lbs.	ASTM D 6511	8.3 - 8.7
Solids, % by Weight	ASTM D 6511	48 - 52
% by Volume		48 - 52
Viscosity, cps	Brookfield, RVT	6500 - 10000
pH		6.2 - 7.2
Flash Point, °F	FMCC	None
Color, Cured	Visual	Black
Drying time, Touch	70°F/50% R.H.	1 - 2 hours
Shelf Life	70°F/50% R.H.	1 year
VOC	EPA Method 24A	zero

2.06 CANTS

A. Description: Perlite cants, with 45 degree face slope.

1. Face dimension: At least 5 in.

B. Reference Standard ASTM C208.

2.07 Surfacing:

A. High solids white coating: ERS White top or equal

B. Reference Standard ASTM D1227.

PHYSICAL PROPERTIES: WHITE MASTIC

Property	Value	Test Method
Solids Content By Volume	66% (±2)	ASTM D 5201
Tensile Strength	>200°F TOC for mixed product	ASTM D 412
Elongation	Non-flammable	ASTM D 412

This document is from a 2010 elementary school re-roofing project. By describing products, and their ingredients, in such detail, and by singling out one ASTM number, only one roofing manufacturer's product can be used.

- Assembly Committee on Accountability and Administrative Review

EXHIBIT C

2. Do not work in temperatures below 40 F (4.44 C).
3. Do not install materials marked "keep from freezing" when daily temperatures are scheduled to fall below 40 F (4.44 C).
4. Do not perform masonry work below 40 F (4.44 C).
5. Remove any work exposed to freezing.
6. Advise University when volatile materials are to be used near air ventilation intakes so that they can be shut down or blocked as University requires.

G. Security requirements:

1. Comply with University security requirements.
2. Require identification be displayed by all persons employed on this project.

H. Temporary sanitary facilities:

1. Furnish, install, and maintain temporary sanitary facilities for employee use during project. Remove on project completion.
2. Place portable toilets in conformance with applicable laws, codes, and regulations.

1.07 SUBSTITUTIONS

- A. When a particular make or trade name is specified, it shall be indicative of standard required. Bidders proposing substitutes shall submit the following 14 days prior to bid date to University:
1. Written application with explanation of why it should be considered.
 2. Accredited testing laboratory certificate comparing substitute's physical/performance attributes to those specified.
- B. Only substitutes approved in writing by University prior to scheduled bid date will be considered.
- C. Notification of approvals will be mailed at least 7 days before bid opening.
- D. University reserves right to be final authority on acceptance or rejection of any substitute.

1.08 PAYMENT SECURITY

- A. See item 2.04 Bonds, Exhibit "C".

1.09 UNIT PRICES

- A. Refer to General Conditions, Supplementary Conditions and Bid Form. Quote unit prices on:
1. Metal deck replacement - \$/sq. ft.
 2. Metal deck repair - \$/sq. ft.
 3. Wood nailer replacement - linear ft.
 4. Additional roof drains - \$/each.
 5. Additional drain piping, installed complete with hangers - \$/linear ft.

1.10 WARRANTY/GUARANTEE

This document is from a 2010 California State University re-roofing project. The document singles out one manufacturer and places onerous requirements on a contractor wishing to provide an alternate product: The contractor must submit his bid 14 days in advance of other contractors and provide evidence that a laboratory has found the replacement product to be equal to the specified product. This adds cost and time concerns for any contractor wishing to submit an alternate product.

-- Assembly Committee on Accountability and Administrative Review

EXHIBIT D

ORIGINAL FILED

APR 01 1997

LOS ANGELES
SUPERIOR COURT

1 GIL GARCETTI, No. 42241
District Attorney
2 THOMAS A. PAPAGEORGE, No. 77690
Head Deputy District Attorney
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STUART C. LYTTON, No. 114241
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8
9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 COUNTY OF LOS ANGELES

11 THE PEOPLE OF THE STATE OF CALIFORNIA,) Case No.
12)) BC168132
Plaintiff,))
13))
14 vs.) FINAL JUDGMENT PURSUANT
15) TO STIPULATION
16 Corporation;)
a California Corporation;)
17 an Individual,)
18 an Individual,)
Defendants.)

19
20 Plaintiff, THE PEOPLE OF THE STATE OF CALIFORNIA, having
21 filed its complaint herein; and defendants
22 Inc.,
23 a California Corporation
24 an individual
25 and an individual
26 , having been served with that complaint; and
27 Plaintiff appearing through its attorneys, Gil Garcetti,
28 District Attorney of the County of Los Angeles, and Thomas A.

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APPLICABILITY

3. The provisions of this Judgment, including the injunction contained herein, are applicable to defendants [REDACTED] and to the directors, officers, employees, representatives, agents, successors and assignees of said defendants, and all persons corporations or other entities acting for, through or on behalf of the defendants, and to all persons acting in concert or participation with the defendants who have actual or constructive knowledge of this Judgment.

INJUNCTION

4. All persons, corporations or entities set forth in paragraph 3 above, are hereby enjoined and restrained under Business and Professions Code Sections 16754.5, 17204 and 17535 from directly or indirectly engaging in the following acts or practices in the State of California:

(a) Bid rigging, defined as the artificial manipulation of the bidding process, formal or informal, wherein the winner of the bid is to be predetermined by collusion, whether successful or not.

(b) Vertical price fixing, defined as any form of agreement, conspiracy, combination or concerted action between [REDACTED] and any one or more California contractors or sub-contractors, in which [REDACTED] requires, suggests, or attempts by coercion to cause any contractor or sub-contractor to submit a specific bid price to an end-purchaser. End-purchaser shall mean

1 a person or entity with a business location in California who,
2 for the purpose of installing such products, purchases [REDACTED]
3 products directly from a [REDACTED] representative or through
4 [REDACTED] approved contractors.

5 (c) Horizontal price fixing, defined as any form of
6 agreement, conspiracy, combination or concerted action between
7 two or more roofing contractors, by bid rigging or any other
8 action, whose purpose or effect is to raise, depress, fix, or
9 otherwise influence the price of roofing repairs or replacement.

10 (d) Unlawful, unfair or fraudulent business practices
11 prohibited by Business and Professions Code section 17200.

12 (e) Unfair, deceptive untrue or misleading advertising
13 prohibited by Business and Professions Code section 17500.

14 (f) Commercial bribery prohibited by Penal Code
15 Section 641.3.

16 5. The Defendant [REDACTED] shall, within 120 days of the date
17 of entry of this judgment, implement the following measures to
18 ensure compliance with the objectives of this Judgment:

19 (a) Each job proposal submitted by [REDACTED] shall
20 include a statement of the objectives and benefits of competitive
21 bidding and shall include a recommendation that at least three
22 qualified contractors be solicited to bid on the proposal.
23 Further, in each job proposal [REDACTED] shall provide, where
24 practicable, a list of at least 4 qualified prospective bidders
25 and a notice that there may be additional qualified contractors
26 who will be provided on request. Additionally, a contractor not
27 on the [REDACTED] approved list may bid on a proposal and apply to
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1 until February 28, 2002 be permitted to inspect and copy at any
2 of the defendants places of business in California, all books,
3 ledgers, accounts, correspondence, memoranda, contracts or other
4 records or documents in the possession of any such defendant
5 which relate to any matter contained in this Judgment.

6 15. Within thirty days following the date of entry of this
7 Judgment, defendants [REDACTED] shall cause a
8 copy of this Judgment to be distributed to each present officer
9 and director of said defendant. Further, defendants [REDACTED]
10 [REDACTED] shall notify in writing each present sales or
11 marketing employee or agent in California with a summary of this
12 final Judgment. Said summary is also to be delivered to counsel
13 for plaintiff within the same time period.

14 RETENTION OF JURISDICTION

15 16. Jurisdiction is retained for the purpose of enabling
16 any party to this Judgment to apply to the court at any time for
17 such further orders and directions as may be necessary and
18 appropriate for the construction or carrying out of this
19 Judgment, for the enforcement of compliance thereof, or for the
20 punishment of violations thereof.

21
22 17. The Clerk is ordered to enter this Judgment forthwith.

23
24 Dated: _____ at Los Angeles, California

25 _____
26 Judge/Commissioner
27 Los Angeles Superior Court

EXHIBIT E

CHAPTER 5

University of California, San Francisco: Improper Contracting Practices

ALLEGATION I2000-715

The University of California, San Francisco (UCSF), violated state contracting laws as well as University of California Regents' (Regents) policies by using bidding specifications for several roofing projects that unfairly restricted competition.

RESULTS AND METHOD OF INVESTIGATION

After investigating the allegation, we determined that UCSF used proprietary bidding specifications that restricted fair competition for several roofing projects under a contract totaling \$495,000, in conflict with state law and Regents policies.^{9, 10} The specifications placed unnecessary requirements on potential bidders, which limited the number of contractors able to submit competitive bids for the projects. Further, the specifications unnecessarily forced contractors to use a specific manufacturer's products and limited their ability to use substitute products, even if the substitute products were less expensive and superior in quality.

The University of California, San Francisco, used proprietary bidding specifications that restricted fair competition for a contract totaling \$495,000.

To investigate the allegation, we reviewed the roofing contract between UCSF and the contracting company, as well as applicable state contracting rules and Regents' policies pertaining to construction contracting. We also reviewed UCSF accounting records and hired a roofing consultant to evaluate the bid specifications in the contract.

⁹ For a more detailed description of the laws discussed in this chapter, see Appendix B.

¹⁰ The Louisiana Office of State Purchasing defines a "proprietary specification" as a specification that cites brand name, model number, or some other designation that identifies a specific product to be offered exclusive of others. Stephen M. Phillips, who serves as counsel for the National Roofing Contractors Association and the National Roofing Legal Resource Center, defines a "proprietary specification" (also known as a closed or restrictive specification) as any specification that is restrictive to a specific product.

BACKGROUND

Part of the University of California system since 1873, UCSF is the only campus dedicated solely to graduate and professional study in the health sciences. Many consider the campus to be one of the nation's premier teaching, training, and research centers for health sciences. UCSF's Department of Capital Projects and Facilities Management is responsible for the maintenance and operation of all facilities and the management of campus renovation and construction projects.

The legislative intent of the California Public Contract Code, Section 100, is to protect the public from misuse of public funds; to stimulate competition in a manner conducive to sound fiscal practices; and to eliminate favoritism, fraud, and corruption in the awarding of public contracts. State laws that relate specifically to University of California construction contracts also contain competitive-bidding provisions. These sections require campuses to award construction projects to the lowest responsible bidder. This requirement promotes competition when awarding public contracts and ensures that the University of California receives the best available prices and products from companies competing for the State's business. Regents' policy reaffirms the necessity of competition, requiring competitive bidding for construction contracts and stating that contracts must be awarded to the lowest responsible bidder unless the acceptance of a responsible bid is not in the best interests of the university, in which case it must reject all bids.

UCSF USED SPECIFICATIONS THAT RESTRICTED COMPETITIVE BIDDING FOR ROOFING PROJECTS

In conflict with state law and Regents' policies, UCSF used specifications for roofing projects that restricted competitive bidding. According to our roofing consultant, the language used in UCSF's specifications primarily limited competition in three ways.

Portions of the roofing specifications unnecessarily forced potential bidders to use specific products produced by a single manufacturer.

First, it included certain contractor requirements that served no purpose other than to limit the number of contractors competing for the work. Second, portions of it were proprietary, forcing potential bidders to use specific brand products produced by a single manufacturer. Third, it limited contractors' ability to use substitute products regardless of whether those substitutes were equal to or better than those products called for.

The roofing consultant found that the specifications included language that unnecessarily restricted the ability of all available contractors to submit bids. For example, the specifications required contractors to list three projects in which they employed a similar type of roof system within a 50-mile radius of the project location. The roofing consultant stated that requiring documentation of previous experience was valid; however, specifying a 50-mile limitation served only to restrict competition. The specifications also required that the materials manufacturer be nationally recognized in the moisture survey industry. The consultant found that because the roofing projects in question did not require moisture survey work, this requirement was not justified; it served only to limit competition because most manufacturers do not provide moisture survey work. Finally, the specifications required contractors that are not "manufacturer-certified" to hire the manufacturer's inspectors to perform technical inspections. According to the roofing consultant, this requirement was inappropriate because no standard definition for a manufacturer-certified contractor exists. The consultant noted that manufacturers use a variety of terms to designate contractors authorized to install their products, and the requirements they use to determine whether to authorize a contractor vary significantly.

The roofing consultant determined that the specifications also included proprietary language that forced bidders to use a specific manufacturer's products. The consultant concluded that requirements differed from applicable industry standards in regard to two of the necessary products, so that only one brand of product could meet the specifications. The specifications also listed physical properties for the entire roof membrane, a requirement the consultant labeled excessive and not customary. According to the roofing consultant, the only reason to impose such a requirement would be to limit contractors to using membrane products made by a single manufacturer.

The specifications limited the ability of potential bidders to use substitute products, even if the substitute products were less expensive and of superior quality.

In addition, the roofing consultant found that the specifications included at least four hurdles that limited the ability of potential bidders to use substitute products. In one instance, the specifications limited contractors' ability to submit alternative products, even if the substitute products were less expensive and had adequate or superior performance properties. In two instances, the specifications limited bidders' ability to fully assess the time and cost ramifications of providing substitute materials; in another instance, the specifications dictated

that the contractor incur additional costs associated with submitting substitute products. These are costs that, according to the roofing consultant, the contractor should not bear. The consultant noted that using proprietary products and not allowing substitutions is appropriate in some instances; however, in this instance it was not justified.

AGENCY RESPONSE

UCSF reported that the contract in question contained detailed requirements that it believes are based on legitimate business needs to ensure contractor availability at the construction site, maintain the product warranty, and discourage substitutions of potentially inferior roofing products. UCSF agreed that the specifications relating to the manufacturer's products were tightly written, but added that was done to minimize any impact on patients in the buildings affected. However, UCSF reported that it no longer uses vendors for roofing specifications and that bid specifications for more recent contracts have been prepared with assistance from independent roofing consultants to avoid any appearance of inappropriate proprietary specifications that would unduly limit competition.

As we mentioned previously, our roofing consultant found that the specifications limited the number of contractors available to bid on the work as opposed to ensuring contractor availability as UCSF contends. Further, our consultant found that the specifications limited contractors' ability to submit alternative products even if they were superior to those called for in the specifications. ■

EXHIBIT F

BOND SPENDING: *EXPANDING AND ENHANCING OVERSIGHT*



LITTLE HOOVER COMMISSION

June 2009

Bolstering Local Bond Oversight Commissions

While no independent bond oversight commission exists at the state level, thousands of Californians across the state participate on local bond oversight committees that act as watchdogs over K-12 school and community college facility construction.

Local bond oversight committees are mandatory for any bond measure that has been adopted by a 55 percent majority. The requirement for local school and community college districts to establish citizens' bond oversight committees was enacted as companion legislation to Proposition 39, which lowered the threshold required to pass local measures for K-12 and community college bonds to 55 percent from a two-thirds majority.⁹³

Local education bond funds typically are matched with state education bond funds. At their best, local bond oversight committees keep a watchful eye on both state and local spending for school construction and renovations in communities all across California.

Since lowering the voting threshold in 2000, local bonds for educational facilities have had significantly higher passage rates. The lower threshold led to substantially more education facility bonds on local ballots, from approximately 26 ballot measures for each election prior to 2000 to a current average of 65 measures.⁹⁴ This change helped solve much needed and long-overdue improvements and construction of schools, pumping some \$77 billion in local bond funding into K-12 and community college facility construction since 2000.⁹⁵

Several experts told the Commission that the state should lower the voter threshold for other types of local bonds to expand opportunities for local governments to provide local solutions to necessary improvements in other infrastructure sectors, such as transportation, energy and water. Before considering this option, however, the state should bolster the effectiveness of the local oversight commissions charged with ensuring that taxpayer dollars are being spent as intended.

Membership of Citizens' Oversight Committees

Local citizens' oversight committees must include at least seven members who serve terms of two years. Members can serve a maximum of two consecutive terms. Membership requirements vary depending upon whether or not the committee is overseeing K-12 or community college facilities construction, but both types of committees must include:

- A person active in a business organization representing the business community within the district.
- An active member of a senior citizens' organization.
- An active member of a bona fide taxpayers' organization.
- Two members from the community at large.

School district oversight committees also must include:

- A parent or guardian of a student enrolled in the district.
- A parent or guardian of a student enrolled in the district who also is actively involved in a parent-teacher organization.

Community college district oversight committees also must include:

- A community college student active in an organized community college group, such as student government.
- An active member of an advisory council, foundation or other organization that supports a community college or the community college district.

Source: California Education Code, Section 15282.

The Role of Citizens' Oversight Committees

When a local bond for K-12 or community college school facilities is passed by a 55 percent majority, the governing board of the local school district or community college responsible for implementing the school construction must appoint an independent citizens' oversight committee. The purpose of the oversight committee is to actively review and report on the proper expenditure of taxpayers' money for school construction. Additionally, the committee advises the public as to whether a district has complied with the following requirements:

- Bond money is spent only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of property for school facilities.
- Bond money is not used for teacher or administrative salaries or other school operating expenses.

The oversight committee also has the authority to request and review copies of the annual, independent performance and financial audits and to inspect school facilities and grounds to ensure bond money has been spent as described in the bond measure. The oversight committee also has the authority to review deferred maintenance proposals and efforts by

the local district to maximize bond revenues by implementing cost-saving measures.

School and community college districts are required to provide technical and administrative assistance to the oversight committee and bond funds can not be used to pay for this assistance. The oversight committee meetings are open to the public and the committee is required to issue a report annually.⁹⁶

Local Oversight Committees Lack Independence

Local bond oversight committees can provide an invaluable service to their communities, but only when the members are truly independent. Sometimes, the committee appointees are merely extensions of local district management or representatives from businesses and organizations that stand to gain from inefficiencies in school construction. Such committees often provide merely a stamp of approval on the activities they are supposed to oversee.

To enhance the independence of the oversight committees, some communities include input from local civic groups as part of the oversight committee membership selection process. In the Sacramento City Unified School District, for example, two local groups, the Sacramento Metro Chamber of Commerce and Sacramento Area Congregations Together, a leadership consortium of 40 local organizations, review oversight committee applications and make recommendations to the district.

In some instances local bond oversight committee members simply are not aware of the potential scope of their duties. Bond oversight committees typically rely on their appointing authority to educate them on their oversight role and these authorities themselves may not fully understand the role of the oversight commission.

In the worst instances, the Commission heard that local school or community college districts sometimes thwart efforts of the oversight commissions by not properly educating members on their role and by limiting their ability to engage the public and report findings and recommendations by failing to provide the mandatory technical and administrative support or by not including meeting schedules or committee reports in district newsletters or on district Web sites.

Local Districts Fail to Conduct Mandatory Audits

In addition to requiring local bond oversight committees, Proposition 39 mandates that local districts conduct annual, independent financial and performance audits until all bond funds have been spent, to ensure that the bond funds have been used only for the purposes listed in the bond measure.

In many cases, school and community college districts do not conduct required performance audits using generally accepted government auditing standards, as required by Proposition 39. Experts have said that school districts have been particularly lax in conducting

“When bond oversight committee members are chosen by the entity they are supposed to oversee, they are much more likely to see their job as being a ‘fig leaf’ to cover the entity than to be an independent oversight force.”

Michael Day, President,
California League of Bond
Oversight Committees.

One extreme case rose to the attention of a legislative member resulting in an audit by the State Controller's Office. In response to a citizen's complaint, the grand jury in San Joaquin County conducted an investigation and issued a report detailing a variety of problems with the bond fund spending and the oversight committee for San Joaquin Delta Community College District. The grand jury's findings prompted then-Senator Mike Machado to ask the State Controller's Office to review the college district's oversight mechanisms.

In a scathing audit of the district's use of local Measure L and state Proposition 1D funds, the State Controller's Office found that San Joaquin Delta College had spent more than \$10 million of \$72 million in bond proceeds expended through June 2008 on projects not identified as priorities in the bond measure, including a state-of-the-art athletic facilities at the college. The controller's auditors found that the college had spent \$2.9 million on a track around the football field, one the school had described as being of the same quality as the track built for the 2008 Beijing Olympics. It also spent nearly \$2 million improving parking for its softball facility.⁹⁹

In a 2007 investigation of the implementation of a 2004 bond measure for the Cabrillo Community College District, the grand jury in Santa Cruz County found that there did not appear to be violations of the law or misappropriations of funds, but identified several areas for improvement, particularly regarding the independence of the oversight committee. The report found that the district appointed the minimum number of members to the committee and did not attempt to expand the membership to include members with relevant expertise for oversight. The district also created the by-laws for the committee and did not define a process for addressing concerns or issues raised by the committee. The grand jury also found shortcomings with the financial and performance audits.¹⁰⁰

Opportunities for Improvement

The Commission was told that bolstering statutory requirements for local bond oversight committees could go a long way toward improving the critical oversight role these commissions potentially can play in ensuring that both state and local bond money for school facility construction is spent efficiently, effectively and as detailed in the bond measure. Local school and community college districts with a bond oversight committee should be required to provide information, including meeting schedules and links to reports produced by the local bond oversight committee on the home page of the district's Web site. The state must require a more robust selection process for committee members, such as requiring

performance audits, which can shed light on opportunities for potential cost savings and ensure that funds are spent only on initiative-specified projects. While these audits are more costly to conduct than financial audits, millions of taxpayer dollars can be saved in the process.

Because bond oversight committees often receive little training, they sometimes cursorily approve less-than-adequate financial audits, not realizing they have the authority, as well as the responsibility to probe, intervene and ask for more information.

The president and co-founder of the California League of Bond Oversight Committees, Michael Day, told the Commission that local oversight committees often are not made aware of the important role they can play, the power that they have and the statutory code that guides their activities. Committee members generally are not well-trained. In testimony to the Commission, Mr. Day said that “they don’t know what they are supposed to do, what they may do, what they may not do. Largely they receive their instructions from the organization they are supposed to oversee. Not conducive to good oversight.”⁹⁷

Mr. Day recommended mandatory independent training for all potential oversight committee members and suggested that the training system used by the California Grand Jurors Association could provide a model.

Overseeing the Oversight Committees

Californians have been rightly concerned that local bond money is not being spent efficiently and for the specific uses listed in the local bond measure on the ballot. Hundreds of oversight committees have been established since Proposition 39 was enacted, but information on how well these committees perform is sporadic. Although many local oversight commissions may be highly effective, Californians only hear about those commissions that fail to adequately do their jobs, often after a grand jury investigation reveals inappropriate or wasteful spending. As a result, Californians legitimately question just how much oversight these committees are conducting.

The grand jury in Solano County – prompted by citizens’ complaints regarding the cost and progress of improvement projects in the River Delta Unified School District funded with bond proceeds enacted in 2004 – reviewed the district three times. The grand jury found safety and planning problems, fiscal irresponsibility and poor communication between the district and the citizens’ oversight commission. It also found that the district failed to provide the bond oversight committee with the required performance and financial audits.⁹⁸

nominations from various community partners. Civic partners could nominate candidates while allowing the district to maintain veto power over the nominations.

To bolster such efforts, a Web site could be set up to provide educational materials for local bond oversight commissions using a fraction of the administrative portion of the most recent K-12 and community college bond funds. A DVD or Web-based training program, similar to the online ethics training course for government appointees, could be developed with assistance from the California League of Bond Oversight Committees, a non-profit organization that provides training to current committee members. Training should be mandatory for local bond oversight committee members. The state Web site could link to the training program, the statutory code and other useful documents. A Web portal could be established so committee members from across the state could communicate and provide information and support for each other, providing a forum for exchanging best practices.

The Office of the State Controller, in its audit of the San Joaquin Delta College's use of local Measure L and state Proposition 1D bond money made several general recommendations to the Legislature for improving local bond oversight:

- More clearly delineate the role and responsibility of the Citizens' Oversight Committee and provide greater independence from the colleges' governing body.
- More clearly define the purpose and objectives of the required annual financial and performance audits and specify that such

Saving Money With Standardized School Plans

Significant money could be saved statewide by establishing templates of architectural plans for school facilities. There are some limitations given the diversity of the state's geography and climate as well as seismic differences. Beyond natural limitations, there also is a tendency for local school districts to want the freedom to custom design schools to put an individual architectural stamp in their communities. Additionally, every person involved in a school project development cycle – the architects, engineers, contractors, construction managers – are inadvertently incentivized to increase project cost as each party earns more when project costs go up.

Senator Dave Cox introduced legislation in 2006 that would have directed the Office of the State Architect to procure designs for several model school plans that could be used free of charge by any district. The law would have withheld state matching funds for design costs for districts that did not use the model plans. Cost savings were estimated to range from 20 to 25 percent for each project; however, the bill did not make it beyond its first committee hearing.

State Architect David Thorman suggested other opportunities for cost savings, such as buying certain items, such as carpeting or air conditioning units in bulk. Despite the political resistance to architectural templates, lawmakers should actively pursue incentives for local districts to employ these and other cost-saving measures for local school facility construction.

Sources: SB 1605 (Cox) February 22, 2008. Also, Michael Day, President, California League of Bond Oversight Committee, October 23, 2009. Testimony to the Commission. Also, David F. Thorman, State Architect of California, May 11, 2009. Personal Communication.

audits be conducted in accordance with generally accepted government auditing standards.

- Impose appropriate sanctions, such as preclusion from adopting future bond measures under provisions of Proposition 39, when colleges fail to adhere to prescribed constitutional and statutory requirements, or those specified in the bond measures.¹⁰¹

Should the role of local bond oversight committees expand, implementing these recommendations broadly would be a good first step toward ensuring that the commissions work efficiently.

Recommendation 4: To improve local oversight of school and community college school facility construction projects passed under the reduced threshold established by Proposition 39, the state should bolster the capabilities of local bond oversight committees. Specifically, the state must:

- ❑ Require mandatory independent training for bond oversight committee members. The State Allocation Board and the California Community Colleges should develop and host a Web site with easy-to-access training materials and easy-to-understand descriptions of the roles and responsibilities of the local citizens' oversight committee members. The Web site should include a mandatory online training course.
- ❑ Require civic groups to nominate local committee members, allowing veto power for the school or community college district.
- ❑ Clearly delineate the role and responsibility of the local oversight committees and define the purpose and objectives of the annual financial and performance audits.
- ❑ Encourage county grand juries to review the annual financial and performance audits of expenditures from local school and community college bond measures.
- ❑ Impose sanctions for school and community college districts that fail to adhere to constitutional and statutory requirements of Proposition 39, such as preventing the district from adopting future bond measures under the reduced voter threshold.