

**Date:** April 29, 2013

File No. 3160

**To:** Steve Durham, Chief  
Real Estate Services Division  
Construction Services Branch  
707 3<sup>rd</sup> Street, 6th Floor  
West Sacramento, CA 95605**From:** Department of General Services  
Office of Audit Services**Subject: AUDIT OF NEPOTISM POLICIES AND SUPPLIER COMPLIANCE WITH  
COMMERCIALLY USEFUL FUNCTION REQUIREMENTS**

This report presents the results of our audit of two issues raised in the Bureau of State Audits (BSA) recent audit of the State Route 710 extension project<sup>1</sup>. In its report, the BSA expressed concerns with the Direct Construction Unit's (DCU) compliance with the Department of General Services' (DGS) nepotism policy. Further, the BSA expressed concerns with the DCU's use of Blue Eagle Enterprises, both a certified small business and disabled veteran business enterprise, and Knight Muse & Associates, a certified small business, and recommended that the DGS conduct an investigation of those firms to determine if they are performing a commercially useful function (CUF).

In response to the BSA's concerns, the Office of Audit Services was tasked with auditing the DCU's hiring practices pertaining to the prevention of nepotism and Blue Eagle Enterprises and Knight Muse & Associates compliance with the state's CUF provisions. Our audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

As discussed in the following sections, we concluded that the DCU has established sufficient policies and procedures to prevent nepotism in the hiring of its casual trades employees. Further, we concluded that Blue Eagle Enterprises and Knight Muse & Associates were performing a CUF in providing goods and materials to the DCU.

### **NEPOTISM**

Based on the results of our evaluation of appointment documentation for a sample of recent casual trades employee hires and interviews of numerous permanent civil service management and staff, we concluded that the DCU has established sufficient policies and procedures to prevent nepotism in the hiring of its casual trades employees. Specifically, we determined that the DCU's hiring practices provide reasonable assurance that nepotism is not occurring in the hiring of casual trades employees. Reasonable assurance is provided when cost-effective actions are taken to restrict deviations to a tolerable level.

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<sup>1</sup> California State Auditor Report 2011-120, dated August 16, 2012.

During our review the DGS' nepotism policy was in the process of being updated to provide additional guidance to staff<sup>2</sup>. Therefore, we used the DCU's nepotism policy for evaluating the appropriateness of the hiring process. This policy was commonly understood by the DCU's civil service staff as the unit's nepotism policy and was the policy being enforced in the hiring process. As part of the hiring process, the DCU's policy provides that each casual trades employee recommended for employment sign a document titled "*Partial Terms of Employment for Casual Trades Employees*" (See Attachment II) which under Term 14 states the following:

*As a Casual Trades employee, you cannot be related to any permanent Civil Service Personnel in the Real Estate Services Division as follows: by blood, adoption, marriage and/or cohabitation; e.g., husband, wife, father, mother, son, daughter, brother, sister, grandparent, grandchild, uncle, aunt, first cousin, nephew, niece, in-laws, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and two people living together without marriage.*<sup>3</sup>

To determine if this policy was implemented for each hire, we reviewed the hiring packages of a sample of 50 casual trades personnel who were employed in 2012 by the DCU. In each case, we found that a term sheet was enclosed in the package which was signed by both the employee and area office civil service management and supervisory staff. Further, we confirmed that DCU headquarters' management approved each hire, including the unit's support operations manager who advised us that he actively reviews each package for any indication that nepotism may have impacted the hire.

We also interviewed numerous DCU permanent civil service staff members, including headquarters and area office management, supervisory and administrative personnel, regarding the unit's nepotism practices. Uniformly, we were advised that they were not aware of any casual trades employees who were related to a permanent civil service staff member. We also compared the names of the 50 sampled casual trades employees to the civil service employee names listed on the organization chart for the Construction Services Branch and did not note any matches. Further, we did not note any areas of concern when we compared the 50 sampled employees and their emergency contacts to DGS employee names listed in the department's on-line address book.

It should be noted that, in its August 2012 audit report, the BSA expressed concerns that the DCU was not obtaining the DGS Office of Human Resources (OHR) approval of casual trades employee appointments prior to a proposed candidate's start date as required by the DGS nepotism policy that existed at the time of its audit. Based on our discussions with OHR management, if it had been implemented, this practice would have been of limited value and not practical for an operation such as the DCU, which had over 100 casual trades employees during the first ten months of the 2012 calendar year. This requirement has been removed from the DGS' amended nepotism policy (See Attachment I).

It should also be noted that, to ensure that its employees are fully aware of the department's current nepotism policy, prior to the issuance of our report, the DCU provided a copy of the department's amended nepotism policy to each of its permanent civil service employees. This process included each employee signing the policy document acknowledging the receipt and

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<sup>2</sup> On February 22, 2013, Administrative Order 13-01 was issued amending the DGS' nepotism policy (See Attachment I).

<sup>3</sup> This definition of a related party agrees to that contained in DGS Administrative Order 04-12, dated August 9, 2004, regarding the department's nepotism policy. As noted above, the policy was recently amended through the issuance of Administrative Order 13-01.

understanding of the nepotism policy. Further, the DCU now includes the revised policy in the hiring packages of its casual trades employees.

### **COMMERCIALLY USEFUL FUNCTION**

Based on the results of our audit procedures, we concluded that Blue Eagle Enterprises and Knight Muse & Associates were performing a commercially useful function (CUF) in providing goods and materials to the DCU. Specifically, the firms were independently performing such key activities as researching and obtaining pricing information from suppliers, ordering products from those suppliers, coordinating delivery or pick-up of goods, directly paying for product costs, and billing and collecting amounts due from the DGS for filled orders. Further, the firms are independent businesses (sole proprietorships) subject to a risk of loss that took title to the goods, paid sales tax on goods sold to the state, reported cost of goods sold on the federal tax return filed for their business and did not subcontract any of its primary operating responsibilities to another firm.

In brief, the state requires that all small businesses and disabled veteran business enterprises (DVBE) perform a CUF in any contract they enter into with the state (Government Code Section 14837 and Military Veterans Code Section 999). The purpose of the CUF requirement is to prevent certified small businesses or DVBEs from acting as a "pass through" or "front", exchanging the benefits of certification for payment from a non-certified business. A certified small business or DVBE is deemed to perform a CUF if the business does all of the following:

- Is responsible for the execution of a distinct element of the work of the contract.
- Carries out its obligation by actually performing, managing, or supervising the work involved.
- Performs work that is normal for its business services and functions.
- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a CUF if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of small business or DVBE participation.

In its August 2012 audit report, the BSA developed concerns with the DCU's use of Blue Eagle Enterprises, both a certified small business and DVBE, and Knight Muse & Associates, a certified small business, and recommended that the DGS conduct an investigation of those firms to determine if they are performing a CUF. Consequently, the OAS was tasked with performing an audit of Blue Eagle Enterprises and Knight Muse & Associates compliance with the state's CUF provisions.

To determine compliance, we performed numerous audit procedures. These procedures included the:

- interview of DCU management and staff, including casual trades staff;
- review of BSA documentation supporting its audit results;
- consultation with the DGS Office of Small Business and DVBE Services' staff on CUF requirements;

- evaluation of the DGS' purchasing history with Blue Eagle Enterprises and Knight Muse & Associates;
- examination of supporting documents for the DCU's purchases from Blue Eagle Enterprises and Knight Muse & Associates that were obtained from the DGS' purchasing and payment files. These documents included bid sheets, purchase orders and supplier invoices;
- examination of the purchasing history and review of supporting documents for a number of common competitors of Blue Eagle Enterprises and Knight Muse & Associates;
- interview of Blue Eagle Enterprises and Knight Muse & Associates owner/management;
- examination of Blue Eagle Enterprises and Knight Muse & Associates supporting documents for a sample of DCU purchases, including invoice billings issued by the firm's suppliers. Specifically, we obtained supporting documents for 27 Blue Eagle Enterprises transactions and 25 Knight Muse & Associates transactions;
- review of sales tax reports filed by Blue Eagle Enterprises and Knight Muse & Associates;
- review of the Schedule C, *Profit or Loss From Business*, federal tax report filed for 2011 by Blue Eagle Enterprises and Knight Muse & Associates; and,
- performance of other tests as deemed necessary.

Blue Eagle Enterprises has been certified as a small business and DVBE since December 2003, while Knight Muse & Associates has been certified as a small business since April 2011. Both firms are physically located in the owner's home, which is not uncommon for small businesses and DVBEs. In fact, we noted at least seven other small business firms which appeared to be home based that competed with Blue Eagle Enterprises and Knight Muse & Associates for the DCU's purchases.

The first purchase orders issued by the DCU's southern area office to Blue Eagle Enterprises and Knight Muse & Associates were in May 2011 with the last ones issued in June 2012<sup>4</sup>. Over that period, the south area office issued 77 purchase orders totaling approximately \$160,000 to Blue Eagle Enterprises and 114 purchase orders totaling approximately \$117,000 to Knight Muse & Associates<sup>5</sup>. During the 2011/12 fiscal year the northern area office also issued 17 purchase orders totaling approximately \$108,000 to Blue Eagle Enterprises.

For Blue Eagle Enterprises and Knight Muse & Associates to be CUF compliant, we answered the following questions:

No.	Question
1	Was the supplier responsible for the execution of a distinct element of the various procurements?
2	Was the supplier actually performing, managing, or supervising an element of the various procurements?
3	Was the supplier performing work that is normal for its business services and function?
4	Is there any further subcontracting that is greater than that expected to be subcontracted by normal industry practices?

<sup>4</sup> The BSA's audit focused on transactions of the DCU's southern area office. The DCU's northern area office has used Blue Eagle Enterprises as a supplier for many years.

<sup>5</sup> As of the completion of our audit fieldwork, the DCU had not used these firms since June 2012.

First, to answer No. 4, we determined that the suppliers did not subcontract any of their primary operating responsibilities to another firm. Second, to answer Nos. 1, 2 and 3, we determined that the Blue Eagle Enterprises and Knight Muse & Associates are identified as "jobbers" by the DCU. It is our understanding that the use of jobbers is common in the construction field and refers to a business that can locate and supply a wide variety of materials and supplies to meet the needs of a procuring entity. Both Blue Eagle Enterprises and Knight Muse & Associates were performing work that is normal for that type of business including researching and obtaining pricing information from suppliers, ordering products from those suppliers, coordinating delivery or pick-up of goods, directly paying for product costs, and billing and collecting amounts due from the DGS for filled orders. The firms were also found to be performing the business lines provided for in their small business and/or DVBE certifications. We also noted that the DCU has on its vendor lists eight other firms as providing this same type of service.

In addition, we were advised by Blue Eagle Enterprises that it has provided the same type of services to other state agencies<sup>6</sup> and local governments as that provided to the DCU, which indicates that it is well established in its industry. Knight Muse & Associates only provided services to the DCU which raises concerns with its experience in operating as a jobber. However, state statute and policy does not require a pre-existing level of experience as having to be met as a condition of providing services to the state.

Although overall we ultimately concluded that the suppliers were performing a CUF, we do have concerns with some of the specific purchases made from these firms. Specifically, in some instances, we found that the DCU appeared to use Blue Eagle Enterprises and Knight Muse & Associates merely to arrange the procurement of goods from a preferred non-certified business. Prior to the issuance of our audit report, the Construction Services Branch issued a policy which provides that its staff will not take any action that improperly influences a supplier's independent selection of a firm to fill a purchase order (See Attachment III).

It should be noted that the BSA also expressed concerns that two other suppliers used by the DCU, Nizami Supplies and Skyward Supplies, may not have performed a CUF. Although competing for numerous procurements, these firms have been awarded an insignificant amount of purchase orders (three) by the DCU<sup>7</sup>. Therefore, we did not include these firms in the scope of our audit.

Management should be aware that controls cannot prevent all problems because they would not be cost-effective. Moreover, the effectiveness of controls change over time. Limitations which may hinder the effectiveness of an otherwise adequate system of controls include resource constraints, faulty judgments, unintentional errors, circumvention by collusion, and management overrides. The presence of these limitations may not always be detected by an audit.

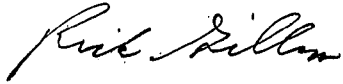
We greatly appreciated the cooperation and assistance provided by DCU and supplier personnel contacted during our audit.

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<sup>6</sup> We verified that Blue Eagle Enterprises provided services to the California Technology Agency and were advised that it provided services to the California Department of Corrections & Rehabilitation.

<sup>7</sup> Nizami has received two purchase orders totaling around \$1,500, while Skyward Supplies received one purchase order totaling \$3,750.

If you need further information or assistance on this report, please contact me at (916) 376-5058, or Olivia Haug, Management Auditor, at (916) 376-5054.



RICK GILLAM, CPA, CIA  
Chief, Office of Audit Services

Attachment

Staff: Olivia Haug  
Lucy Wong

cc: Fred Klass, Director  
Esteban Almanza, Chief Deputy Director  
Sheral Gates, Deputy Director, RESD  
James Derby, Assistant Deputy Director, RESD  
Doug Brenning, Assistant Chief, DCU

<p>STATE OF CALIFORNIA DEPARTMENT OF GENERAL SERVICES</p> <p><b>Administrative Order 13-01</b></p> <p>TO: <b>ALL DGS EMPLOYEES</b></p> <p>SUBJECT: <b>Department of General Services Nepotism Policy</b></p>	<p>DATE ISSUED: February 22, 2013</p>
	<p>EXPIRES: Until Rescinded</p>
	<p>REFERENCES: Personnel Operations Manual (DGS)</p>
	<p>SUPERSEDES: AO 04-12; AO 99-02; AO 96-05</p>

**PURPOSE** This Administrative Order amends AO 04-12 regarding the department's nepotism policy.

**POLICY** The Department of General Services (DGS) is committed to fair and impartial employee selection, supervision, evaluation and advancement. It is the policy of DGS that employees will not use their authority or the influence of their position to secure the authorization of employment or benefit (including a promotion or preferential treatment) for a person closely related by blood, marriage, or other significant relationship as defined below. This policy is intended to ensure effective supervision, internal discipline, security, safety, and positive morale in the workplace. It also seeks to avoid the perception of favoritism, conflicts in loyalty, discrimination, the appearance of impropriety, and conflicts of interest.

Except as provided for in "Exceptions" below, persons closely related by blood, marriage or other significant relationship may not:

1. Work in the same chain of command where one is in a position that directly or indirectly supervises the other.
2. Be a part of any hiring, promotional or other beneficial or adverse decision regarding each other.
3. Work on any personnel transactions involving each other.
4. Audit or critique each other's work.
5. Be assigned responsibilities or decision-making roles that would place them in a reasonably foreseeable actual or perceived conflict of interest.

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**RELATION-  
SHIPS  
COVERED**

1. "Closely related by blood or marriage" means, but is not necessarily limited to, a spouse (including registered domestic partners recognized by state law), children (whether dependent or independent), parents, grandparents, grandchildren, siblings, aunts, uncles, nieces, nephews, first cousins, in-laws, step-children, step-parents, step-grandparents, step-siblings, step-aunts, step-uncles; it also includes other persons related by blood or marriage who reside in the same household.
2. "Significant relationship" means:
  - a. Persons living together as a spousal or family unit when not legally married or registered domestic partners.
  - b. Persons living together in a romantic relationship, but not necessarily as a spousal or family unit, when not legally married or registered domestic partners.
  - c. Persons not living together but in a romantic relationship.

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**IMPLEMEN-  
TATION**

Should a situation arise in which persons closely related by blood, marriage, or other significant relationship are in positions prohibited under "Policy" above, every effort will be made to reassign one or both persons to another position(s) within DGS that will not result in a prohibition specified under "Policy." However, any such reassignment will occur in accordance with all applicable state employment laws and collective bargaining agreements.

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**EXCEPTIONS**

When persons closely related by blood, marriage, or other significant relationship are in situations prohibited under "Policy," the requirement under "Implementation" to reassign one or both of those persons (within the permissible boundaries of employment law and collective bargaining agreements) will not be mandatorily invoked, as long as the situation arose from one of the causes listed below. Nevertheless, DGS may work with the persons to seek voluntary reassignments or other actions that would mitigate any actual or perceived conflict of interest. Exemptions from the requirement "Implementation" include:

1. A person closely related by blood, marriage or significant relationship obtains employment with DGS as the result of bumping, displacement, recall, or some other non-discretionary personnel action.

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**EXCEPTIONS  
(Cont.)**

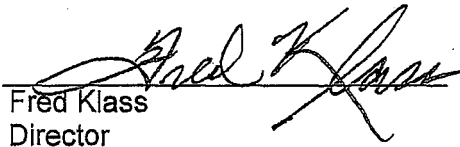
2. A person closely related by blood, marriage or significant relationship is employed by DGS prior to the appointment by the Governor of a person closely related by blood, marriage or significant relationship to a position within DGS.
  3. A person working on personnel transactions that include those of a person closely related by blood, marriage or significant relationship is handling only matters that affect the related person in the same manner as other employees of DGS in the same job classification or position.
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**QUESTIONS/  
CONTACTS**

Should you have any questions concerning the department's nepotism policy, please contact the Construction Intervention Unit in the Office of Human Resources.

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**SIGNATURE**

  
Fred Klass  
Director

## PARTIAL TERMS OF EMPLOYMENT FOR CASUAL TRADES EMPLOYEES

Revised July 1, 2011

**Note:** This form updates and replaces all previous versions.

You are being hired by the Direct Construction Unit (DCU) of the State of California, Department of General Services, Real Estate Services Division - Professional Services Branch - Construction Services Section.

Your employment as a Team Member with the Direct Construction Unit is based upon your compliance with the terms, conditions and policies prescribed by the State of California and these listed below.

### TERMS

#### 1. LAWS AND RULES

You must adhere to all State laws, rules, regulations and safety orders/practices.

#### 2. SAFETY

Personnel safety is of the utmost importance in the performance of all DCU construction activities. You are required to comply with all requirements of Title 8, General Safety Orders, the CAL/OSHA State of California Construction Safety Orders, DCU's Illness and Injury Prevention Program (IIPP) and the Code of Safe Practices. You are required to work in a safe manner at all times, participate in weekly accident prevention (safety) meetings and wear Personal Protective Equipment (PPE) as required by your supervisor.

#### 3. PAPERWORK

All required documentation (paperwork) must be completed accurately and consistently. Project paperwork provides an audit trail, critical to assuring that the appropriate expenditures are applied to the correct projects. Understand that all DCU project expenditures are financed using public funds (either State or Federal or a combination of both) and your performance in this area may have as dramatic an impact to each project as your physical efforts.

#### 4. CLIENTS

All Direct Construction Unit projects are performed for client agencies and each of these client agencies employ numerous individuals, all of whom have *opinions* regarding our projects. The DCU's specific project scope is based on a variety of construction documents (Construction Drawings, Specifications, Construction Estimate, Submittals, Change Orders) which are reviewed and approved by only a few very select individuals charged with special approval authority. Remember to always be respectful and courteous to all building occupants and feel free to direct them your supervisor to discuss project related issues, however, your specific work direction must come only from your DCU Supervisor.

#### 5. VEHICLES

Possession of a valid California Driver's License (CDL) is a condition of employment and it must be in your possession at all times while operating a State vehicle, or while operating your personal vehicle on State business. Be advised that you must obtain written approval by the Area Manager prior to operating your personal vehicle on State business (via STD. 261). State vehicles must be used for official State business only. In addition to ensuring the safe operation of the vehicle itself, the operator is responsible to perform daily safety checks, maintain required associated reports, and ensure vehicle cleanliness and proper working condition: body, drive train, tires, safety systems, fluid levels, etc. Fuel purchases, for State vehicles only, are made using the State of California - Official State Fleet Card (Voyager) assigned to each vehicle. If a vehicle is damaged or involved in an accident, the operator must contact their supervisor immediately and proceed with the appropriate protocol.

## 6. TOOLS AND EQUIPMENT

All State property items are to be checked out formally. Inspect the tools before leaving the tool room. If an item is faulty, advise your supervisor. Use of unsafe tools or equipment will not be tolerated. You are responsible for any tool, equipment or other item checked out by or assigned to you. Any employee responsible for the loss of or negligent damage to, any State property, will be responsible to reimburse the State for replacement or repair costs, which may result in a delay or deduction of your paycheck.

Personal items such as tools, radios, CD or MP3 players, etc., can only be used with the expressed written permission of your supervisor. At no time will radios, CD or MP3 players be allowed to interfere with the capability of any worker to safely hear in the work environment.

## 7. CELLULAR TELEPHONES

You may be assigned a cellular telephone which will be intended for your exclusive use, and is to be used to conduct State business only. You are responsible to adhere to the "DGS Personal Communication Devices Policies and Procedures" (Rev. 6/24/08) and the "DCU Portable Communication Device Use Policy" (Rev. 7/1/08) which states:

**Effective 3/11/08, DCU employees (permanent and temporary) will refrain from using any type of Portable Communication Device while operating a State vehicle, or operating a privately owned vehicle while conducting State business. If such a communication device must be used, the operator of the vehicle must pull over to a safe location, place the vehicle in park and only then use such a device.**

Cellular phone bills are routinely audited and any employee discovered misusing this tool will be responsible to reimburse the State for any associated unauthorized phone charges. Employees are strongly encouraged to maintain security for the telephones for which they are responsible in order to avoid misuse.

Personal cellular telephones and pagers should be turned off during working hours.

## 8. KEYS

You may be assigned keys. The responsibility for keys is the same as with any tool or equipment.

## 9. WEAPONS

DCU employees are strictly prohibited from possessing or transporting dangerous weapons or firearms while conducting State business. It is a felony/misdemeanor for any person (except duly sworn peace officers) to transport or possess dangerous weapons or firearms in a State or public building. "State buildings" include office buildings, covered garages or parking facilities, (whether State-owned or leased), and all other State facilities. **ALL** DCU work areas are considered State property, including construction sites.

Prohibited weapons include, but are not limited to, the following:

- All firearms (loaded or unloaded), ammunition.
- Dangerous weapons including switchblade knives, billy clubs, metal knuckles, nun-chucks, etc.
- BB guns, CO2 guns, "spot marker" guns, spring action devices that expel a metallic projectile.
- All knives with a fixed or fixable blade exceeding 4 inches.
- Tear gas or pepper spray weapons (except when duly licensed and with written permission).
- Any taser or stun guns.

## 10. ALCOHOL/ILLEGAL DRUGS

Possession, consumption and/or use of alcoholic beverages or illegal/illicit drugs on State property is strictly prohibited.

11. PREVAILING WAGE RATE

As a DCU Casual Trades employee you will be paid the General Prevailing Wage Determinations as determined by the Department of Industrial Relations for the State of California or, if a member of a union, the contract wages for the local area. Casual Trades Supervisors (Foreman) will receive an additional \$1.50/hour. Your wages and benefits are dependent upon the location of the Project site, the county of hire, your trade classification and/or union contract. Personnel hired from a union hall will have their wages and disposition of benefits clearly stated in the dispatch slip or referral. Non-union personnel will receive their wages and benefits per the appropriate Prevailing Wage Rate. Changes of job locations crossing county lines exceeding 30 days will result in new determinations as to wages and benefits due to the Prevailing Wage Rates being determined by County or union contract.

Subsistence is not generally paid for Casual Trades employees since they are hired for a particular job site location. However, in the event that a programmatic requirement arises demanding the need for a casual employee to travel beyond approximately fifty (50) miles from his hired project (or Area Office), DCU will reimburse the employee based on the daily subsistence rates identified in the Memorandum of Understanding (MOU) for their prospective trade union.

12. PAYDAY

There are two pay periods per month for Casual Trades Employees. The pay periods vary slightly, but are generally from the 1<sup>st</sup> through the 15<sup>th</sup> of the month and from the 16<sup>th</sup> through the last day of the month. Paychecks will be available for distribution at each Area Office by the 10<sup>th</sup> day following the end of each pay period. Address any questions regarding your paycheck with your supervisor.

13. TERM

Normally Casual employees are hired for a specific Project and for a six month term. There is no guarantee as to your work duration, however. It is possible that you may not work the entire six months, work full days or full weeks during your term. You may, however, be required to work overtime and weekends depending on a Project's needs. It is also possible that DCU may extend the duration of your term an additional three (3) months, based on the Project requirement. In no case will a Casual Trades employee work in excess of 9 months within a 12 month period. You may be released when the Project you were hired for is complete/changed/cancelled/stopped.

14. NEPOTISM

As a Casual Trades employee, you cannot be related to any permanent Civil Service Personnel in the Real Estate Services Division as follows: by blood, adoption, marriage and/or cohabitation: e.g., husband, wife, father, mother, son, daughter, brother, sister, grandparent, grandchild, uncle, aunt, first cousin, nephew, niece, in-laws, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and two people living together without marriage.

15. IDENTIFICATION CARD

All DCU employees will be issued a picture identification card and this ID card must be carried during working hours. This ID card must be surrendered to your supervisor upon completion of your term, during your close-out process. Note: Be advised that your last paycheck will be held until receipt of the DCU Identification Card.

16. ATTITUDE AND WORK ATTIRE

All DCU employees must maintain a professional, respectful demeanor and appearance consistent with working as a public employee, and must conduct themselves in a manner which promotes a safe working environment. Most projects are located in public buildings and during normal working hours, therefore it is necessary that all DCU employees comply with the following requirements:

- a) Footwear designed for commercial construction work (leather boots).
- b) No cut off or abbreviated shirts or pants.

- c) Clothing must not display advertising, slogans, depict drug or alcohol use, degradation or disrespect to persons or groups, profane/vulgar language, nudity.
- d) Field personnel must wear all appropriate Personal Protective Equipment (PPE).

17. OVERTIME APPROVAL

All overtime must be approved by the supervisor, prior to working. A STD. 682, approved by the Area Manager or designee, is required (in advance) for each day of overtime to be worked. This form is available at: <http://www.documents.dgs.ca.gov/osp/pdf/std682.pdf>

18. ABSENCES

- a) In the event of an unscheduled absence, you are required to call your Immediate Supervisor no later than your scheduled starting time, advising them of the reason for and duration of your absence.
- b) If your Immediate Supervisor is not available, contact the DCU Area Manager (as listed in 18d below) and provide the details of your absence to them.
- c) If none of the above is available, contact your Area Office and leave a voice message explaining the details of your absence.
- d)

DCU Area Offices		DCU Headquarters	
Area North – Viren Panikker	(916) 567-8021	HQ Receptionist	(916) 375-4848
Area South – Jay Murphy	(562) 863-7750	Craig Valente	(916) 375-4870
		Morris Taylor	(916) 375-4861

19. SUPERVISION

Your Classification is: Carpenter

Your Immediate Supervisor is: Matt Pina

Your Supervisor's phone number is: 916 567-8023

20. AGREEMENT

I, \_\_\_\_\_, have read, understand and accept these conditions.

Employee Signature \_\_\_\_\_ Date 3-25-13

Supervisor Signature Matt Pina Date 3-27-13

Area Manager Signature [Signature] Date 3-28-13

cc: Original to DCU Headquarters – Personnel  
Area Office, Supervisor, Casual Trades Employee

**Gillam, Rick@DGS**

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**From:** Durham, Steve@DGS  
**Sent:** Tuesday, April 16, 2013 9:24 AM  
**To:** Panikker, Viren@DGS; Murphy, Jay@DGS; Cooper, Roger@DGS; Piona, Matt@DGS; McKinney, Rhonda@DGS; Melendrez, Priscilla@DGS; Ruiz, Toni@DGS; Soffos, George@DGS; Coleman, Casey@DGS; Streuli, Paul@DGS; Maier, Jennifer@DGS; Bellamy, Rosa@DGS; Soto, Cynthia@DGS; Davidson, Danelle@DGS; Melger, Margie@DGS; Taylor, Morris@DGS  
**Cc:** Brenning, Doug@DGS; Valente, Craig@DGS; Sills, Gary@DGS; Ellicock, Andy@DGS; Palecek, John@DGS; Melton, Gregg@DGS; Pettway, David@DGS; Bledsoe, Charis@DGS; Sorge, Dennis@DGS  
**Subject:** Procurement Process

All,

Please ensure all staffs (permanent and casual trades) involved with procurement activities are aware of the following:

**It is the policy of the Construction Services Branch (Construction Management and Inspection Unit and Direct Construction Unit), that its staff will not take any action that improperly influences a supplier's independent selection of a firm to fill a purchase order such as directing a supplier to a specific vendor to fill an order. All procurements shall comply with applicable laws and policies and shall ensure fair and open competition.**

Thank you,

Steve Durham  
Chief Construction Services,  
Real Estate Services Division  
State of California Department of General Services  
Email [steve.durham@dgs.ca.gov](mailto:steve.durham@dgs.ca.gov)  
Phone 916-375-4842