

# PUBLIC WORKS LABOR COMPLIANCE SEMINAR Awarding Body Responsibilities

California Labor Commissioner's Office Department of Industrial Relations



### Disclaimer

California Labor Commissioner's Office

The following presentation is intended to summarize relevant portions of existing law in the Labor Code and California Code of Regulations, but those code sections, as interpreted by the courts, will govern actual enforcement. The information contained in this presentation is a general overview of existing law or regulation. Any opinions expressed are solely those of the author/speaker and are not necessarily the official position of the Department of Industrial Relations (DIR), its Director, or any related public entity. The information in this presentation is not intended as legal advice, and does not guarantee any outcome in specific enforcement or coverage proceedings within the jurisdiction of DIR.





# Compliance Requirements

Labor Code &
Title 8, CCR § 16000



### Who qualifies as an Awarding Body?

An awarding body is the entity that awards a contract for public works and is sometimes known as the **project owner**.

The awarding body can be any kind of public agency or official (state, county, city, school board, water district, etc.) **OR** a private entity using public funds.



Labor Code(s) 1720(1) and 1722.1



### **Monetary Thresholds**

Prevailing Wage

>\$1,000

Project Registration

>\$15,000

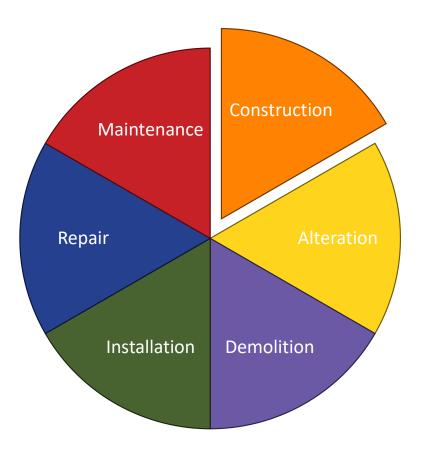
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>\$25,000 CADIR



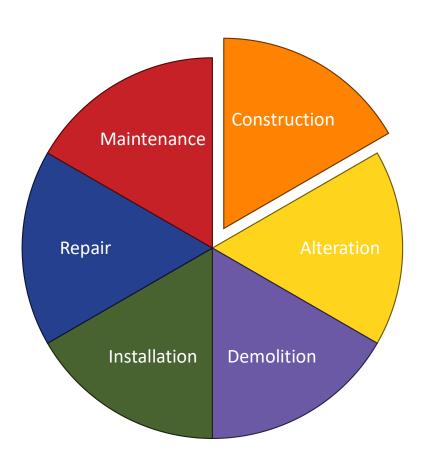
Labor Code 1771, 1725.5

### Public Works Project





### **Public Works Project**



#### Preconstruction

- Design
- Site Assessment
- Feasibility Study
- Inspection
- Land Surveying

#### Postconstruction

Cleanup



### **Project registration**

Provide electronic notice to DIR of all public works contracts within 30 days of the award, but in no event later than the first day in which a contractor has workers employed upon the public work. (LC §1773.3) \*



<sup>\*</sup> Does not apply to projects of \$25,000 or less when the project is for construction, alteration, demolition, installation, or repair work or for projects of \$15,000 or less when the project is for maintenance work

#### https://www.dir.ca.gov/Public-Works/PublicWorks.html

#### Public Works / Public Works



#### I ublic Works

Public works in general means:

- Construction, alteration, demolition, installation, or repair work done under contract and paid in whole or in part out of public funds.
- It can include preconstruction and post-construction activities related to a public works project.
- For a full definition of public works refer to Labor Code section 1720 ♂.

Anyone working on a public works project must be paid prevailing wages as determined by DIR. Projects of \$30,000 or more must meet DIR's apprenticeship requirements. Failure to comply with public works requirements can result in civil matties, criminal prosecution, or both.

DIR Service Portal for Contractors, Awarding Bodies & Developer Proponents DIR Support Center for lastest training and FAQs

#### Resources

- Awarding Bodies
- Contractors
- Summary of Skilled and Trained Workforce ("STW") Statutes
- Frequently Asked Questions on Skilled and Trained Workforce ("STW")
   Requirements
- Public Works Pre-Qualification of Contractors
- · Apprenticeship Requirements
- Certified Payroll Reporting ♂

Certified Payrott Reporting B



#### https://services.dir.ca.gov/gsp









Disclaimer





eCPR Public Search

Public Works Support

Contractors

Projects

Services

Your information ▼

Notifications 6





#### **▲** Associated Accounts

### Welcome, John Doe

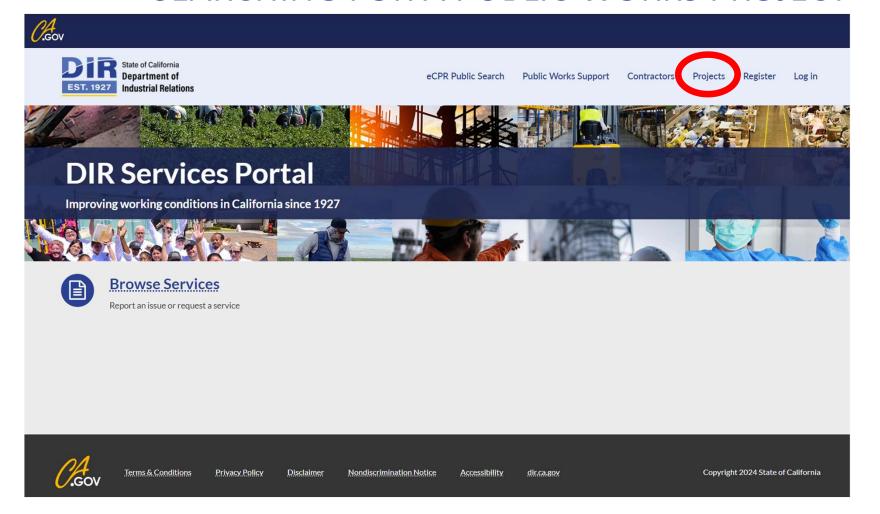
#### **Demo Awarding Body**

New Project Registration

■ My Projects	Search My Projects Q			
₩ All				
Name 🔥	Project Number	State	Stage	Awarding Body
Bridge Construction	123456789	Approved		Demo Awarding Body
Bridge Modifications Fiscal year 24/25	123456789	Approved		Demo Awarding Body
Demo Project 6/24/2024	1234	Approved		Demo Awarding Body



### SEARCHING FOR A PUBLIC WORKS PROJECT





#### services.dir.ca.gov/gsp?id=dir\_projects&table=x\_cdoi2\_csm\_portal\_project





eCPR Public Search Public Works Support Contractors Projects

Home > Project

#### **Project Filters**

- > .Approved Projects
- > Completed Projects

<b>■</b> Projects						Keywor	d Search	Q
Number	Project Number	Contract Number	Project ID	Awarding Body 🗸	Name		State	Description
20240002263	60412	60412	328821		TREATN PLANT REPLAC	MENT	Approved	SAN DIEGO SAFARI PAR MODERNIZ 
20240002286	33130	F21AP01583-00	398835		USFWS Recover Challeng Grant- C B	ge	Approved	Facility Improvementhe Condor
20240002279	N-A	N-A	489198		Condor 2023-20		Approved	Upgrades ar refurbishme the Condo
20240002269	NA	F20AP00365	345613		USFWS RECOVI CHALLE GRANT- CONDO	NGE	Approved	FACILITY IMPROVEM AT THE COI RELE
20240002275	35625	F20AP00365-2022	440659		USFWS		Approved	Facility



### **Project registration**

Ensure that public works projects are not split or separated into smaller work orders or projects for the purpose of evading the applicable provisions of LC §1771. (Title 8, CCR § 16100)



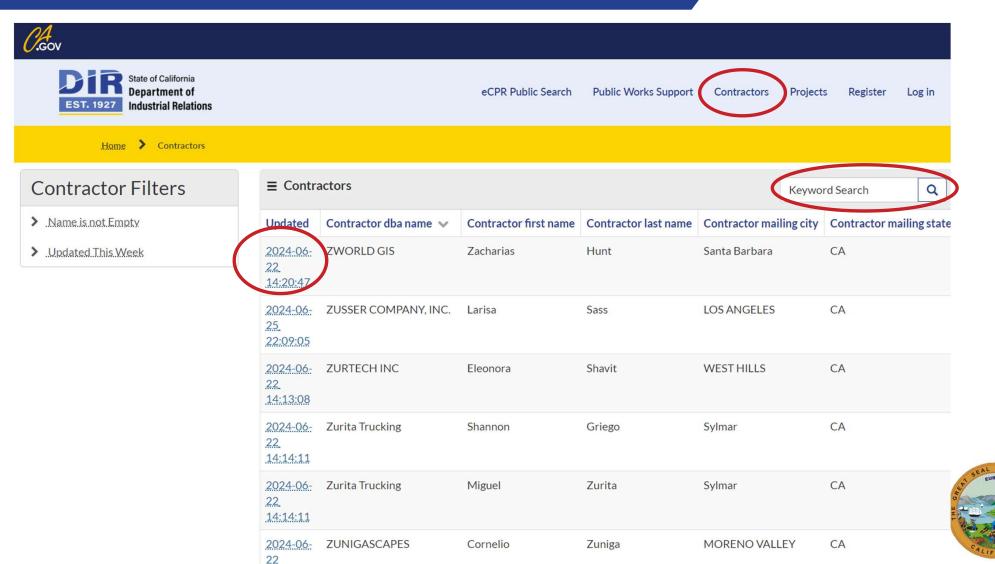
### **Ensure contractors are registered**

A contractor or subcontractor must be registered when bidding, listed in a bid proposal, or engaged in the performance of any contract for public work. (LC §§1725.5 &1771.1) \*



<sup>\*</sup> Does not apply to projects of \$25,000 or less when the project is for construction, alteration, demolition, installation, or repair work or for projects of \$15,000 or less when the project is for maintenance work

#### $services. dir. ca. gov/gsp? id=dir\_contractors \& table=x\_cdoi2\_letf\_core\_contractor\_lookup$



Home > Contractor > THUY PHAM

THUY PHAM	
Contractor	
Contractor business email	Contractor dba name
tpham@dir.ca.gov	TESTING
Contractor c ation eff date	Contractor entity number
Contractor first name	Contractor ID
Thuy	1000018369
Contractor mailing city	Contractor last name
SACRAMENTO	Pham
Contractor mailing state	Contractor mailing address2
CA	
Contractor mailing zip	Contractor physical address1
95825	2031 HOWE AVE., SUITE 100
Contractor physical city	Contractor physical address2
SACRAMENTO	
Contractor physical state	Contractor source



### And a new Support Center for an easy transition



#### **Support Center**

Not sure how to do something? See our how-to guides. Got a question? Explore our Frequently Asked Questions. Need to get in touch? Reach out to DIR Public Works. Need updates? Sign up for our communications.

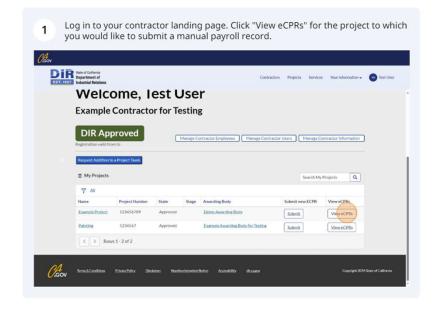
#### Go to How-To Guides

#### **Upcoming Trainings**

The Labor Commissioner's Office offers educational seminars across the state to provide an overview of prevailing wage and apprenticeship standards compliance and public works enforcement. Discussions will include awarding body responsibilities, coverage determinations, and prequalification of contractors, contractor registration and Project Registration (formerly known as PWC-100). Some seminars are focused on requirements for specific groups such as contractors or public agencies.

Subject	Date and	Location	Audience	Notes	Registration	
Subject	Time	Location	Audience	Notes	Registration	

#### How to Submit a Manual Payroll Record





### PARTICIPATION QUESTION #1

#### **CONTRACTOR REGISTRATION**

As an awarding body member, you know that contractors must be registered when bidding, being awarded, and working on public works projects.

Using the contractor registration histories and provided dates on the next slide, which contractor was correctly registered through the entire process?



### PARTICIPATION QUESTION #1

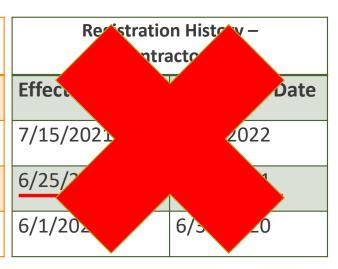
Registration History – Contractor A		Registration History – Contractor B		Registration History – Contractor C	
<b>Effective Date</b>	<b>Expiration Date</b>	Effective Date	<b>Expiration Date</b>	Effective Date	<b>Expiration Date</b>
8/10/2021	6/30/2022	7/1/2021	6/30/2022	7/15/2021	6/30/2022
7/1/2020	6/30/2021	9/1/2020	6/30/2021	6/25/2021	6/30/2021
1/1/2020	6/30/2020	10/15/2019	6/30/2020	6/1/2020	6/30/2020



Registration History – Contractor A		Registration History – Contractor B		Registration History – Contractor C	
<b>Effective Date</b>	<b>Expiration Date</b>	Effective Date	<b>Expiration Date</b>	Effective Date	<b>Expiration Date</b>
8/10/2021	6/30/2022	7/1/2021	6/30/2022	7/15/2021	6/30/2022
7/1/2020	6/30/2021	9/1/2020	6/30/2021	6/25/2021	6/30/2021
1/1/2020	6/30/2020	10/15/2019	6/30/2020	6/1/2020	6/30/2020



	on History – actor A	Registration History – Contractor B		
<b>Effective Date</b>	<b>Expiration Date</b>	Effective Date	<b>Expiration Date</b>	
8/10/2021	6/30/2022	7/1/2021	6/30/2022	
7/1/2020	6/30/2021	9/1/2020	6/30/2021	
1/1/2020	6/30/2020	10/15/2019	6/30/2020	





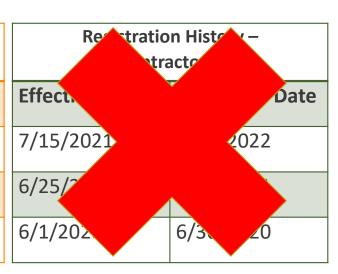
	on History – actor A	Registration History – Contractor B		
<b>Effective Date</b>	<b>Expiration Date</b>	Effective Date	<b>Expiration Date</b>	
8/10/2021	6/30/2022	7/1/2021	6/30/2022	
7/1/2020	6/30/2021	9/1/2020	6/30/2021	
1/1/2020	6/30/2020	10/15/2019	6/30/2020	







Registration History – Contractor B				
Effective Date	<b>Expiration Date</b>			
7/1/2021	6/30/2022			
9/1/2020	6/30/2021			
10/15/2019	6/30/2020			







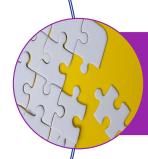
Registration History – Contractor B				
Effective Date	<b>Expiration Date</b>			
7/1/2021	6/30/2022			
9/1/2020	6/30/2021			
10/15/2019	6/30/2020			







Register projects within 30 days of contract award, no later than the first day the contractor has workers employed upon the public works



Ensure projects are not split or separated into smaller work orders for the purpose of evading registration



Only work with contractors who are registered to bid on, be listed on bids for, or perform work on public works projects





### **Notice Requirements**

Include the notice of the requirements described in LC §1771.1(a) & LC §1771.4(a)(1) in all bid invitations and public works contracts.

 A bid shall not be accepted, nor any contract or subcontract entered into without proof of the contractor or subcontractor's current registration to perform public work. (LC §1771.1(b))



### **Notice Requirements**

Include the notice of the requirements described in LC §1771.1(a) & LC §1771.4(a)(1) in all bid invitations and public works contracts.

• The call for bids and contract documents shall specify that the project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. (LC §1771.4(a)(1))



### **Notice Requirements**

Post or require contractors to post jobsite notices on public works requirements (LC §1771.4(a)(2))





Include required information about contractor registration in bid invitations, contracts, and subcontracts



Specify in bid and contract language that projects are subject to oversight by DIR



Require contractors to post jobsite notices on public works requirements





### **Monetary Thresholds**

Prevailing Wage

>\$1,000

Project Registration

>\$15,000

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>\$25,000 CADIR



Labor Code 1771, 1725.5

### **Prevailing Wage Rates**

Obtain prevailing wage rates from DIR (LC sections 1773, 1773.2, and 1773.4)



### **Awarding Body Cognizance**

Ensure that public works contractors pay prevailing wages and are in compliance with public works laws, and report any suspected violations to the Labor Commissioner (LC §1726; Title 8, CCR §16100)

\*Except for public works projects of one thousand dollars (\$1,000) or less (LC §1771)



### Withholding and Retention

Withhold and retain all amounts required to satisfy the civil wage and penalty assessment (LC §1727(a))





Obtain prevailing wage rates from DIR (or request a wage or coverage determination)



Ensure contractors and subcontractors are paying prevailing wage, and report violations to the Labor Commissioner's Office



Withhold and retain all amounts required to satisfy civil wage and penalty assessment







## **Enforcement**

Labor Code §1773.3, §1771.1(j)



### **Labor code §1773.3**

**Penalties** shall be assessed against awarding bodies for the following (LC § 1773.3(c)(1)):

- Failing to timely submit project registration information;
- Entering into a contract with an unregistered contractor; or
- Allowing an unregistered contractor to engage in the performance of any public work



#### **Civil Penalty**

Subject to penalties of \$100 for each day in violation of either requirement, not to exceed an aggregate penalty of \$10,000 per project



### Labor code §1773.3

**Penalties** shall also be assessed against an awarding body when final payment was made, and it is later discovered that an unregistered contractor worked on the project. (LC §1773.3(d))



#### **Civil Penalty**

Subject to penalties of \$100 for each full calendar day of noncompliance, for a period of up to 100 days, for each unregistered contractor or subcontractor.



### PARTICIPATION QUESTION #2

PENALTY CALCULATION

The Labor Commissioner's Office investigates a project and determines that there were two subcontractors, Contractor A and Contractor B, who performed work for ten days each without being registered.

According to Labor Code 1773.3, how much in penalties can be assessed against the awarding body?



PENALTY CALCULATION

2 unregistered subcontractors x 10 days x \$100 = \$2000

LC 1773.3: Subject to penalties of \$100 for each full calendar day of noncompliance, for a period of up to 100 days, for each unregistered contractor or subcontractor.



### Awarding Body "Debarment" (LC §1773.3(f)):

"Whenever the labor commissioner determines that an awarding agency has willfully violated the requirements of this section or chapter with respect to two or more public works contracts or projects in any 12-month period, the awarding agency shall be ineligible to receive state funding or financial assistance for any construction project undertaken by or on behalf of the awarding agency for one year..."



### **Stop Order (LC §1771.1(j))**

# Labor commissioner shall issue a **stop order** when unregistered contractor performs work

- Stop order prohibits use of unregistered contractor or subcontractor until registered
- Affected workers of unregistered contractor entitled to regular hourly pay of prevailing wage rate (not to exceed 10 days) for work stoppage
- Does not apply to other registered contractors or subcontractors on same public works project



Contractor's failure to observe stop order is a misdemeanor. (LC §1771.1(k))



### Thank you for attending!

### New system issues? Labor Commissioner's Office - publicworks@dir.ca.gov

- Provide screenshots and contact information for user experiencing the issues
- Identify using the issues in the subject line
  - Project Registration, Contractor Registration, eCPR, Signing in issues, Password issues, other...

The work we are contracting out requires prevailing wages, what is the applicable craft? Office of the Director – Research Unit - statistics@dir.ca.gov

Request a wage determination. Provide county, bid date, and scope of work

Is my specific project a public work? The work we have contracted is innovative and not found in any scope of work provision, are prevailing wages required?

Office of the Director – Legal Unit - pwcoverage@dir.ca.gov

Request a coverage determination. Provide as much documentation as possible (contract, funding source, lease information, scope of work, etc.)





