



Prevailing Wage Labor Compliance Seminar Prequalification of Contractors for Awarding Bodies

Public Works
California Labor Commissioner's Office
Department of Industrial Relations-2025

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.

Our Goals

- PRE-QUALIFICATION OF CONTRACTORS
- LABOR COMMISSIONER MODEL QUESTIONNAIRE



“Individual commitment to a group effort - that is what makes a team work, a company work, a society work, a civilization work.”
– Vince Lombardi

Why Pre-Qualify Contractors?



Purpose

- Contractors seeking to BID on Public Works Projects can be Pre-Qualified (PCC 20101)
- Stops Bad Actors BEFORE a contract is awarded and stops repeat violators from continuing to profit from wage theft

IMPORTANCE

Levels the Playing Field for Law Abiding Contractors

Value

- Allows Awarding Bodies to be Proactive
- Contracts are awarded only to Responsible Bidders
- Avoids Awarding Body Citations and Debarment

Labor Commissioner's Model Questionnaire

EASY AS 1-2-3

I. IMPORTANT PROVISIONS OF THE 1999 LAW

In 1999, the Legislature enacted a law that allows many public agencies to require licensed contractors that wish to bid for public works jobs to "pre-qualify" for the right to bid on a specific part of Assembly Bill 574.

The law applies to all divisions (which have similar Contract Code section 20111.1).

The law does not restrict subdivisions every public agency that must be met (described below).

In fact, the 1999 law qualification procedures for public works projects are linked to a procedure by which a contractor is given a period of one year.

The law requires every:

- (1) use a "standardized public entry" (Section 20111.1);
- (2) adopt and apply a procedure of the completed questionnaire;
- (3) create an appeal procedure to seek a reversal of the decision.

II. ROLE OF THE DEP.

Assembly Bill 574 requires guidelines for rating bidders, as well as affected public agencies, and other interested parties.

From January through representatives of public agencies, and representatives of interested parties.

Community College Districts also have representatives of public agencies, and representatives of interested parties.

Section D. PRE-QUALIFICATION CRITERIA QUESTIONS AND SCORING

Question Number	Factor #1 - Points	Factor #2 - Points	Multiplying Factor	Total Points
1			x2	
2			x1	
3			x2	
4			x1	
5			x2	
6			x1	
7			x2	
8			x1	
9			x2	
10			x1	
11			x2	
12			x1	
13			x2	
14			x1	
15			x2	
16			x1	
17			x2	
18			x1	
19			x2	
20			x1	
21			x2	
Total				

Questions Type:

- 14 Red Flag Questions (x2)
- 7 Non-Red Flag Questions (x1)

Notes: The awarding body will review additional documents to the questions in Section D to calculate a final response to the questions in Section D to calculate a final score on a scale of 1 to 5 is assigned where the incident is 1.

Factor #1: A score of 1 is assigned where only a Contractor is culpable.

Factor #2: A score of 1 is assigned where five or more incidents of that kind are reported.

A contractor is PRE-QUALIFIED if the total score above 10.

A contractor is DISQUALIFIED if the total score above 20.

Factor #1: We incident was error or was volunteer when it attempt Cont Sub

INSTRUCTIONS FOR AWARDING BODIES

Contractors who wish to be pre-qualified must submit a completed pre-qualification questionnaire to the awarding body for review. Contractors are required to provide any additional information and/or documentation as instructed on the questionnaire. The Model Pre-qualification Questionnaire can be found on pages 10 to 27.

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A. CONTRACTOR INFORMATION

Firm Name (as it appears on CSLB license):
Firm Type (Select one):
☐ Corporation ☐ LLC ☐ Partnership ☐ Sole Proprietorship ☐ Joint

SOURCES FOR VERIFICATION OF INFORMATION GIVEN BY CONTRACTORS

A CAUTIONARY NOTE: The information that will be given to public agencies by contractors seeking pre-qualification is provided under oath, with the understanding that the information is true and correct. If a contractor provides false information, the contractor may be subject to disciplinary action, including suspension or revocation of the contractor's license. The Department of Industrial Relations, through the Contractors' State Licensing Board (CSLB), 9821 Business Park Drive, Suite 230, Rancho Cordova, CA 95670, Telephone number 800-321-2752. The CSLB web site for public information is: www.cslb.ca.gov.

Information about a contractor's DIR - Public Works Contractor Registration can be found on about a contractor's DIR - Public Works Contractor Registration can be found on the following link: <http://www.dir.ca.gov/PW/CP/Search>.

Information about a contractor's license(s) can be found on the following link: <http://www.dir.ca.gov/PW/CP/Search>.

Information about workers' compensation insurance can be found on the following link: <http://www.dir.ca.gov/PW/CP/Search>.

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Expiration Date:

Expiration Date:

Expiration Date:

Expiration Date:

Expiration Date:

Labor Commissioner's Model Questionnaire

CONTRACTOR

Completes the Pre-
Qualification questionnaire
Submits the Pre-
Qualification Questionnaire
and financial statements
Provides any additional
information/documentation



AWARDING BODY

Awarding Body reviews the
“Essential Criteria”
Contractor is immediately
disqualified if:
Any answer to questions 1-6
is “NO”
Any answer to questions 7-
13 is “YES”



REVIEW

Prequalification Criteria
Questions are reviewed
located in Section D
Contractor is Pre-Qualified
if:
All of the Contractors
responses to questions 1-21
are “0”

DISQUALIFIED

C. ESSENTIAL CRITERIA QUESTIONS

		Circle Answer	
1.	Does your firm possess a valid and current California Contractor's or other professional license as required by law for the project or projects for which it intends to submit a bid?	Yes	No
2.	Is your firm registered with DIR as a Public Works Contractor for the current fiscal year?	Yes	No
3.	Does your firm have a liability insurance policy with a policy limit of at least \$1,000,000 per occurrence and \$2,000,000 aggregate?	Yes	No
4.	Does your firm have current workers' compensation insurance policy as required by the Labor Code or is your firm legally self-insured pursuant to Labor Code section 3700 et. seq.?	Yes	No
5.	Have you attached your firm's latest copy of reviewed or audited financial statements with accompanying notes and supplemental information? *	Yes	No

NOTE: Financial statements that are not either reviewed or audited are not acceptable. A letter verifying availability of a line of credit may also be attached; however, it will be considered as supplemental information only, and is not a substitute for the required financial statements.

6.	Have you attached a notarized statement from an admitted surety insurer (approved by the California Department of Insurance) authorized to issue bonds in the State of California, which states that: (a) your current bonding capacity is sufficient for the project for which you seek pre-qualification if you are seeking pre-qualification for a single project; or valid for a year if you are seeking pre-qualification valid for a year; and (b) your current available bonding capacity? **	Yes	No
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NOTE: Notarized statement must be from the surety company, not an agent or broker.

Important Notes

Be Proactive

- Purpose of pre-qualifying is to make sure bad actors are stopped BEFORE a contract is awarded and repeat violators do not profit from wage theft

Level the Playing Field for Law Abiding Contractors

- Labor Commissioner Model Questionnaire is a complete pre-qualification packet that can be easily adopted and customized to an Awarding Bodies needs AND can be used to enhance whatever system an Awarding Body already has in place

Avoid Awarding Body Citations and Debarment

www.dir.ca.gov

Public Works



Public 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 penalties, criminal prosecution, or both.

DIR Service Portal
for Contractors, Awarding
Bodies & Developer Proponents

DIR Support Center
for latest 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](#)
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Registration

Have Questions?

Contact Us:

publicworks@dir.ca.gov

Subject Line:

Pre-Qualification of Contractors

QUESTIONS...

1. As an Awarding Body, do you currently have a Pre-Qualification of Contractors system in place?

- a) Yes
- b) No

2. What is the benefit of using the Labor Commissioner Model Questionnaire?

- a) It is a complete pre-qualification packet that meets all the requirements of the law.
- b) It can be easily adopted and customized to an awarding body needs.
- c) It can be used to enhance whatever pre-qualification system an awarding body already has in place.
- d) All of the above.

3. Can a contractor that is not registered with DIR as a public works contractor for the current fiscal year be pre-qualified?

- a) Yes
- b) No



Thank you!