

Facilities & Fleet Printing/Duplicating Risk Management Purchasing/Stores Telecommunications Information Services

COUNTY OF MENDOCINO GENERAL SERVICES AGENCY 841 LOW GAP ROAD UKIAH, CALIFORNIA 95482

January 29, 2015

Re: State of California Public Works Contractor Registration Law SB 854

To Whom It May Concern:

The State of California has made several changes to the laws pertaining to Public Works Contractor Requirements. Since July 1, 2014, Contractors have been required to register with the DIR (Department of Industrial Relations) in order to be awarded any public project totaling over \$1,000. On March 1, 2015, this law becomes <u>mandatory</u> and contractors must meet the requirements using an online application found here: <u>http://www.dir.ca.gov/Public-Works/PublicWorks.html</u> before bidding on public works contracts in California. Included in this site is the complete list of requirements and additional information.

IN ORDER TO REGISTER, CONTRACTORS MUST:

- Certify or provide proof of workers compensation insurance;
- Have no outstanding liabilities for wages, damages, interest, fines, or penalties due to an employee or the State;
- Good Standing: Cannot be under federal or state debarment from performing public works;
- Have a valid Contractor's license if necessary for your trade;
- After registration becomes mandatory (March 1, 2015) no bids or work will be accepted without registration for the first violation in 12 month period, contractor may pay \$2,000 penalty to register

TIMING OF THE NEW REGISTRATION LAW

- June 20, 2014: Awarding bodies must provide Notice to DIR on all projects (PWC-100)
- July 1, 2014: Registration and fees began
- January 1, 2015: All bid/contract documents must contain language found in Labor Code Section 1771.1 (a) also listed below
- March 1, 2015: Contractors must be registered in order to bid on public works projects
- April 1, 2015: Contractors must be registered to be awarded a public works project and submit certified payroll records to the Labor Commissioner
- January 1, 2016: All public works contractors must furnish certified payroll records (online) to the Labor Commissioner with some exceptions

LABOR CODE SECTION 1771.1 (a)

"A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded."

Sincerely,

Kristin McMenomey General Services Agency Director

cc Dan Mazzanti, Facilities & Fleet Division Manager Doug Anderson, Facilities Project Specialist Lisa Russo, Facilities Project Specialist Frank Baroni, Facilities Staff Assistant Megan Miltimore, General Services Agency Supervising Staff Assistant