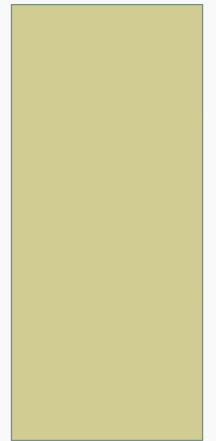


SENATE BILL 854

PAM GREY, DIRECTOR OF PURCHASING SERVICES



WHAT IS IT

- Senate Bill (SB) 854 was signed into law and became immediately effective on June 20, 2014
- Established a new public works contractor registration program
- Requires that all contractors and subcontractors meet minimum qualifications and register with the Department of Industrial Relations (DIR) in order to be eligible to bid and work on public works projects
- Requires all public agencies report public works projects via the PWC-100 form

SB 854 APPLIES TO

Public works projects required, by law,
to pay **prevailing wage**

WHAT IS PUBLIC WORKS

Under the California Labor Code,

“Public works means: Construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, . . .” (Section 1720(a)(1))

The new registration program applies to all public works, as defined by the Labor Code including maintenance

WHAT IS PREVAILING WAGE

Prevailing wage is the basic hourly rate paid on public works projects to a majority of workers engaged in a particular craft, classification, or type of work within the locality

WHAT IS REQUIRED (DISTRICT)

- Check contractor's license and contractor must be registered with the DIR prior to performing work
- Submit a PWC-100 form with the DIR within **five days** of contract/award
- Spot check certified payroll by checking the PWC-100 form

WHAT IS REQUIRED (CONTRACTOR)

- Register on the DIR website
 - Must have workers' compensation coverage
 - Must have Contractors State License
 - No delinquent unpaid wage or penalty assessments
 - Must not be under federal or state debarment
- Must pay \$300 annual registration fee
- Must upload certified payroll to PWC-100 form

WHEN DO WE HAVE TO DO THIS

- All public works over \$1,000 that requires prevailing wage, like
 - Installing kitchen equipment
 - Small maintenance projects
 - Installing IT equipment
 - Small repairs
 - HAZMAT removal
 - Furniture installation
 - Audio/video equipment install
 - Some professional services
 - And so much more

TIMELINE

- **July 1, 2014** - Registration and fees began
- **January 1, 2015** – Call for bids must include registration language
- **March 1, 2015** - Contractors must be registered for bid proposals
- **April 1, 2015** - Contractors must be registered to work on public works
- **January 1, 2016** - All public works contractors must furnish certified payroll records (online) to the Labor Commissioner for all projects still open, but awarded before April 1, 2014

RISK TO DISTRICT

There are no stated penalties to districts. However, as a requirement of state funding, a district must certify that it is complying with all laws. By utilizing contractors who are not registered and by not notifying the DIR that a contract has been awarded, a district could place any current or future state funding in jeopardy. Noncompliance may also result in intervention by the Division of Labor Standards Enforcement.

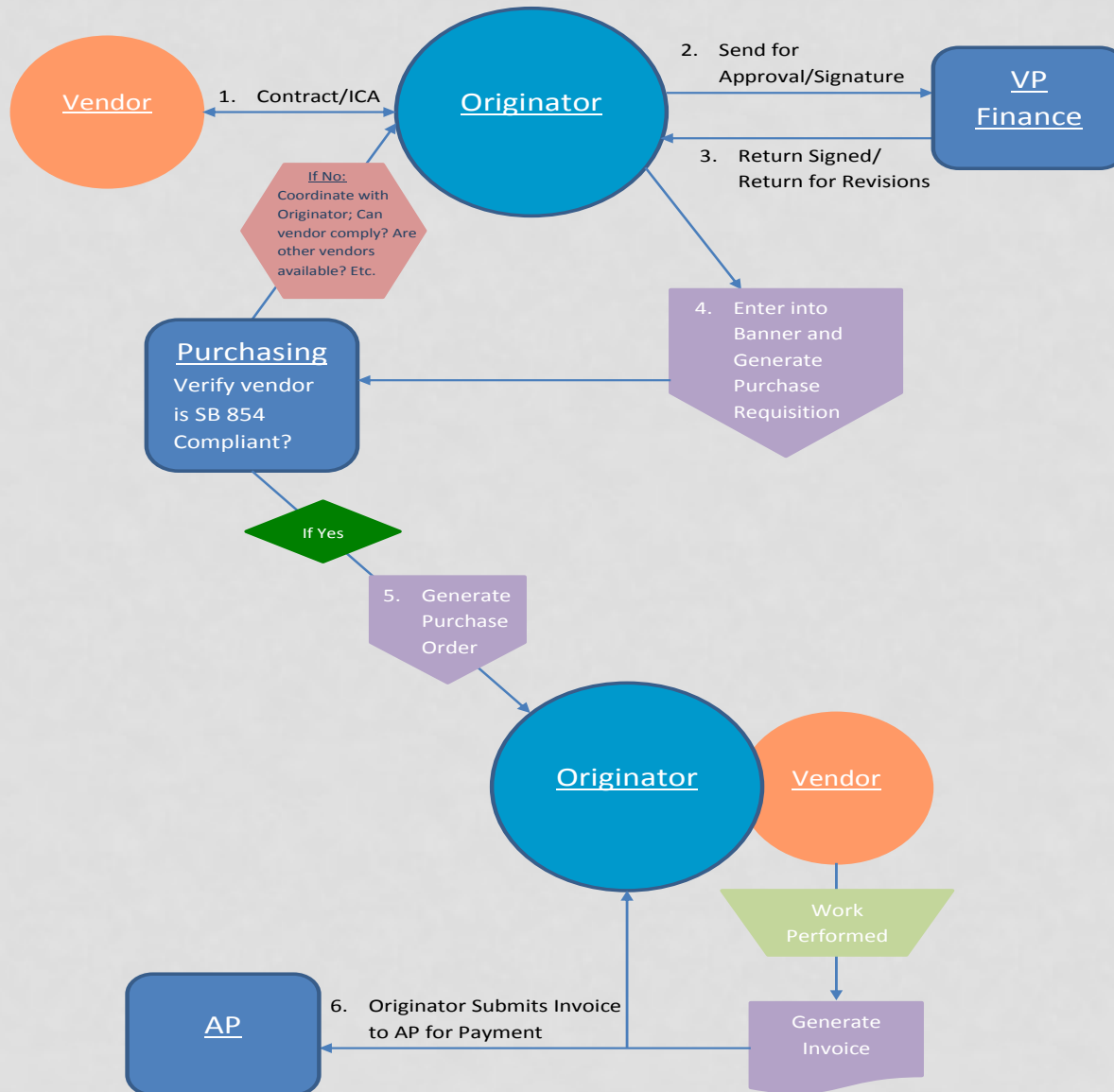
DISTRICT SPECIFIC ISSUES

- Training all staff with delegated authority how to
 - Identify a public works project
 - Create an account for DIR website
 - Check the DIR website for registration
 - Register projects in the DIR database (PWC-100)
 - Periodic review to make sure CPR is being submitted

SOLUTION CONVERSATION STARTER

- Require a purchase requisition for all contracts over \$1000 for public works
- Send all contracts to purchasing, but not require a purchase requisition
- Have the Accounts Payable Department flag and enter the PWC-100

Contract Approval/Invoice Payment Flow Chart



QUESTIONS

