A. **Information:** Last year Senate Bill 854 (SB 854) brought important changes for awarding bodies related to public works. DIR is close to full implementation of the law for new public works projects. The purpose of this Technical Bulletin is to highlight recent changes and bring special emphasis to answer questions that have recently come up regarding contractor registration with DIR for Inspection firms.

According to the DIR FAQ Sheet: All contractors and all tiers of subcontractors bidding on public works projects shall register to bid public works projects with the Department of Industrial Relations (DIR), and maintain current this registration pursuant to Labor Code Section 1725.5. This requirement would include a firm that performs services such as soils testing, surveying, and building/construction inspection, or other onsite work in which tools are used, and anyone hired by the firm to perform those same services as an independent contractor. Architects and engineers on site in a strictly professional capacity to render professional services are not subject to prevailing wage and therefore do not need to register with the DIR.

For the full spectrum of updates and changes regarding SB 854 please see the attached Notice from DIR to all public agencies and the websites identified below.

B. **Where to Find:** Notice attached

C. **Websites:** DIRs Public Works webpage: [http://www.dir.ca.gov/Public-Works/PublicWorks.html](http://www.dir.ca.gov/Public-Works/PublicWorks.html)

Frequently Asked Questions (FAQs) regarding SB 854:

[http://www.dir.ca.gov/Public-Works/PublicWorksSB854FAQ.html](http://www.dir.ca.gov/Public-Works/PublicWorksSB854FAQ.html)

D. **Applicability:** Agencies awarding contracts for Public Works Projects

End of Bulletin
Public Works Notice

To: All agencies that award contracts for public works projects

From: Christine Baker, DIR Director

Date: March 24, 2015

Re: Important Notice for Awarding Agencies on Public Works and Senate Bill 854

This notice applies to all agencies that award contracts for public works projects, including:

- State agencies
- Counties
- Cities
- Transit agencies
- Water districts
- Reclamation districts
- School districts
- Charter schools
- Any other public or private agency that contracts for construction, awards contracts for construction, alteration, demolition, installation, or repair or maintenance work that is paid for in whole or in part out of public funds

Last year Senate Bill 854 (SB 854) brought important changes to DIR’s public works program, and we are now close to full implementation of the law for new public works projects. The purpose of this notice is to highlight recent changes.

Additional information is available on DIR’s Public Works webpage, with resources that include a webinar, presentation slides, and frequently asked questions regarding SB 854.

Registration of Public Works projects using the PWC-100 form.

- Awarding agencies are required by law to notify DIR of any public works project within five days after awarding the contract for the project. This applies to any project that would be considered a public work requiring the payment of prevailing wages under the California Labor Code.

- Awarding agencies must use the PWC-100 form to provide the required notice and register a project with DIR. Important changes and upgrades have been made to this form.
  
  o The form asks whether a project is funded either by Proposition 39 (Clean Energy Jobs Act) or Proposition 84 (Safe Drinking Water, etc. Bond Act of 2006). It no longer asks for information about a laundry list of other statutes and funding sources.
o The form may be amended later if the agency has updated information on the project, including an answer to the new question on Proposition 39.

o Awarding agencies with many projects to report may arrange for EDI (electronic data interface) reporting.

• Here are some other important things to know about the PWC-100 form.

o Although the system only permits a single user to register once, the awarding agency may authorize as many individual users as it deems necessary to register the agency’s public works projects.

o When filling out the form, the awarding agency should provide as much information as it has. However, it is not required to report information that is not available (such as the names of subcontractors that are not required to be listed on a bid).

o An open job order or purchase order contract for periodic maintenance or repair work should be reported at the time the contract is entered into or renewed rather than when the contractor is asked to perform a specific job.

o A project needs to be registered in order for the contractor and subcontractors to be able to furnish electronic certified payroll records (eCPRs) to the Labor Commissioner.

Registration of Public Works Contractors and Subcontractors

• Registration with DIR is now mandatory as a condition for bidding, and on April 1 it will become mandatory for working on a new public works project. Here are some important things to know about this requirement.

o It only applies to bids submitted on or after March 1, 2015, and to work on projects awarded on or after April 1, 2015. It does not apply to contractors and subcontractors working on projects that were awarded prior to April 1, 2015.

o There are exceptions to the registration requirements for bids, which can be found in Labor Code section 1771.1.

o Awarding agencies are required to include in their bid invitations and public works contracts, notice of the following: (1) the new public works contractor registration requirement as specified in Labor Code section 1771.1(a), and (2) that the project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. DIR does not have standard language for these notices. However, DIR recommends including the text of Labor Code sections 1725.5 (contractor registration requirements and criteria), 1771.1 (requirement to register as a condition to bid or work on public works), and 1771.4 (project compliance monitoring) in contract documents.
Verifying Contractor Registration

- Awarding agencies or any member of the public may verify whether a contractor or subcontractor is registered by using the contractor database search tool on DIR’s website. The database is updated continuously, and a registration paid for by credit card will usually display within 24 hours or less.

- If DIR’s contractor database search tool shows that a contractor or subcontractor is currently registered, an awarding agency may accept that as evidence that the contractor or subcontractor has met the requirements for registration and is eligible to bid or work on public works projects. An awarding agency is not required to verify whether a contractor may have paid any additional penalties to register or renew.

Certified Payroll Reporting by Contractors and Subcontractors

- For all new public works projects awarded on or after April 1, 2015, contractors and subcontractors will be required to submit certified payroll records (CPRs) directly to the Labor Commissioner, using DIR’s new data-driven electronic Certified Payroll Record (eCPR) reporting system. (DIR expects to have Phase I of this system deployed by early May of 2015. Contractors will be able input CPR data directly onto an online form or do a mass upload using an xml schema flat file.)

- Projects will need to be registered with DIR (using the PWC-100 form) in order for contractor and subcontractors to use this system. Contractors and subcontractors will then be able to identify the correct project and associate their payroll records with that project when they use the eCPR system.

- Future developments in DIR’s eCPR system will give awarding agencies direct access to all CPRs submitted by contractors and subcontractors on the agency’s own projects. This will spare awarding agencies and contractors the additional expense of obtaining separate copies for the agency’s own compliance monitoring or to respond to Public Records Act requests.

Additional information about SB 854 and public works requirements is available online. Questions about contractor registration and other SB 854 requirements may be emailed to SB854@dir.ca.gov. Other questions about the Labor Code’s public works requirements may be emailed to PublicWorks@dir.ca.gov.