



New Notice, Registration & Reporting Requirements for California Public Works Projects

01.29.2015 | By [Stanley S. Taylor](#)

California Senate Bill No. 854 (Stats. 2014, Ch. 28) was a budget trailer bill last year and became effective with enactment of the budget on June 24, 2014. It does the following:

- Effective July 1, 2014, (or a later date if DIR's online registration system was not in place on that date) contractors and subcontractors working on "public works" projects were required to register with the California Department of Industrial Relations (DIR). The definition of a public works project in California is a bit fluid but generally involves publicly funded construction, alteration, demolition, installation, or repair work (including maintenance) of real property and improvements.
- Consulting work consisting of design and engineering of a project, environmental review, project management and project engineering and related matters, does not give rise to a reporting obligation; however a consultant agreement for a construction inspector on a public works project (or a consultant agreement for other purposes that include these functions within the scope) may be subject to these requirements.
- Effective March 1, 2015, only registered contractors and subcontractors may be included in bids for a public works project.
- Effective April 1, 2015, and for contracts awarded or executed on or after that date, only registered contractors and subcontractors may be used on a public works project.
- The requirement in the current law and regulations that awarding bodies submit PWC-100 forms to the DIR upon award of a contract for certain public works projects has been expanded to include all public works projects. The broader requirement applies to any contract for public work awarded after April 1, 2015.
- Once the registration requirements become mandatory (March 1 for bids and April 1 for award and contract execution) the awarding body for a public works contract may not enter into a contract with an unregistered contractor.

- Effective January 1, 2015, bid packages and contract forms for a public works contract (where the date of submittal of proposals or bids is on or after March 1, 2015) should include information advising bidders that only registered contractors and subcontractors may be listed, that no unregistered contractor or subcontractor may be awarded a contract for a public work after April 1, 2015, and that the public works project is subject to compliance monitoring and enforcement by the DIR.
- Effective April 1, 2015, for all new projects awarded on or after that date, contractors and subcontractors must furnish electronic certified payroll records (CPR) to the Labor Commission; after January 1, 2016, CPR must be provided for all public works projects, whether new or ongoing.
- Public works projects subject to a project labor agreement (PLA) and for certain other legacy DIR-approved labor compliance programs are exempted from the above CPR requirements.

According to the DIR, there are some protections built into the new law, e.g., the inadvertent listing of an unregistered subcontractor will not necessarily invalidate the bid; a contract with an unregistered contractor or subcontractor is subject to cancellation but is not void as to performed services; an unregistered contractor or subcontractor can be replaced with a registered contractor or subcontractor; and a registered contractor or subcontractor whose registration lapses has a 90 day grace period within which to pay a late fee and renew.

More information about these new requirements can be found on the California DIR's website.

Keep in mind that these requirements only apply to public works projects performed in California. Out of state work may be subject to prevailing wage and other requirements that are different. Also to the extent that federal funds are being used, Davis-Bacon, the federal equivalent of the state prevailing wage laws may also apply (although as a general matter the same definitional limitations on public works will likely be applicable under other state prevailing wage laws and Davis-Bacon.)

Please contact us if you have compliance issues or other questions.