

SCHOOL AND COLLEGE LEGAL SERVICES of California

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LEGAL UPDATE

July 9, 2014

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**To:** Superintendents/Presidents/Chancellors, Member Community  
College Districts

**From:** Patrick C. Wilson, Senior Associate General Counsel *PCW*

**Subject:** Important New Labor Compliance Procedures  
Memo No. 11-2014(CC)

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SB 854 was signed into law on June 20, 2014. This legislation significantly changes the procedures governing the enforcement of prevailing wage requirements for all public works projects in California, including all college district projects.

1. Effective July 1, 2014, contractors who wish to bid or work on public works projects are required to register with the Department of Industrial Relations and pay the required annual fee. The contractor must also meet certain minimum requirements to be properly registered with DIR. The fees collected from contractors will be used to pay for DIR enforcement activities.
2. Effective June 20, 2014, the cost for prevailing wage enforcement will be shifted from the local agency to the contractors who pay the required fees to DIR.
3. Effective January 1, 2015, local agencies shall include in the call for bids and contract documents provisions that specify that the project is subject to compliance monitoring and enforcement by DIR.
4. Effective March 1, 2015, all bid proposals shall require all contractors and subcontractors to prove compliance with these new requirements, including proper registration with DIR.

5. Effective April 1, 2015, no public works contract shall be awarded to a contractor who has not registered with DIR, and no contractor shall perform work on a public works project unless the firm is properly registered with DIR.
6. Effective immediately, the awarding agency shall file with DIR a Notice of Award of the contract for all public works projects within five (5) days of award utilizing Form PWC 100.
7. These new provisions apply to all public works projects, not just state funded projects. SCLS form contract documents will be updated to comply with these requirements.

Please contact our office with any questions.