

LEGISLATIVE COMMITTEE UPDATE

Welcome

Have you ever thought a socially unpopular project that you work on might prevent you from working on another one? Well your fear may come true if Senator Lara (D-Bell Gardens) has his way.



Todd Bloomstine

His SB 30 prevents contractors and suppliers from bidding on other California projects if they contribute to the construction on the Trump Administration's border wall with Mexico.

Talk about a bad idea. And SCCA isn't the only group that thinks so too. Even the media is having a hard time swallowing this vindictive bill. From Washington D.C. to Los Angeles – the press has picked up this story and quoted SCCA in their reports.

But the absolutely biggest story is the passage of SB 1. Give yourselves a pat on the back – we helped pass long-term, stable funding for California's roadways, bridges and highways. Thank you everyone that met with legislators, called their offices, and demanded support for SB 1. Not only will it help maintain our state's infrastructure, it will employ tens of thousands of construction workers.

We report on more California policy and politics below. Enjoy and please don't hesitate to contact us if you have any comments or questions. You can reach me at toddb@bblobby.com.

Rumor Has It...

That Caltrans will begin hiring an additional 1,500 new engineers to ramp up for new work created by SB 1. True! Caltrans staff tells us that is the plan!



Fact Check - TRUE!

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Save the Date
SCCA
PAC AUCTION
& CASINO NIGHT
Saturday, May 6, 2017
5:30pm-11:30pm
QUEEN MARY
1126 Queens Way, Long Beach, CA 90802
HELP SUPPORT THE SCCA PAC
Donate • Sponsor
Attend • Bid!

Public Works Registration Program Expectations Come Up Short

A recent evaluation of the Public Works Labor Enforcement program by the Legislative Analysts' Office shows that the program, under the Division of Labor Standard Enforcement (DLSE), falls far short of the needed assets to perform enforcement duties – i.e.: determining prevailing wage rates, reviewing contractors' payroll records, and performing on-site investigations of public works projects.

Senate Bill 30 Passes Committee Despite Industry Opposition

Senate Bill 30 passed the Senate Committee on Governmental Organization on a vote of 8-3 last week. SB 30, by Senator Ricardo Lara (D-Bell Gardens), would prevent the state from awarding any contracts to businesses that had executed contracts for the construction of a federally funded wall, fence, or barrier, along California's southern border.



*Senator Ricardo Lara
(D-Bell Gardens)*

SCCA joined with other industry partners to urge a no vote on this very punitive measure. In a letter to committee members, the opposition coalition wrote, "We strongly oppose any measure that seeks to penalize contractors for bidding on or providing goods and services in a legal manner, under a competitive bid process, because the legislature deems a situation politically unpopular."

In other words, prohibiting a contractor from bidding a construction project because a previous contract in which the contractor was lawfully engaged is simply discriminatory and unfair. Contractors should be able to choose which projects they wish to bid on without fear of reprisal or discrimination. Legislation that places a political judgement on a type of construction project is to pick indiscriminate winners and losers not based on the merits of the construction job, but instead on the underlying construction project.

Several media sources have also picked up on this bill too. The LA Times reported on it and quoted SCCA's opposition. You can read the story by clicking [here](#). Even the Washington Examiner reported on it. Click [here](#) for that story.

SB 30 is a terrible measure and SCCA will continue to oppose the measure during the legislative process.

Contractors are required to register annually with the Public Works Labor enforcement program if they want to bid or work on any public works projects. This registration includes a \$300 registration fee.

Initial registration projections fell short of expectations after it was established in the 2014-15 California Budget. Only 30,000 contractors registered compared to the expected 40,000 plus. DLSE discovered about 600 instances where contractors were not registered. Their non-compliance resulted in up to a \$2,000 fine and possible temporary disqualification for bidding on public works projects.

So, where do we go next with an enforcement program that doesn't work the way it was intended? The Governor's proposed 2017-18 budget looks at adjusting and increasing the pre-qualification system that DLSE has established, adjusting funding sources, and possible increasing contractor registration fees over time.

SCCA has engaged in this conversation with leaders at the Administration and representatives from the building trades and SCCA has articulated four priorities.

1. Limit liability to non-compliant entity – Ensure that general contractors are not held responsible for a subcontractor's lack of registration.
2. Contractor debarment explanation – SCCA is interested in clarifying, in law, that disbarment is only a last resort option and is at the discretion of the Labor Commissioner. This would reassure contractors that inexcusable paper mistakes would not result in disbarment.
3. Multi-year registration – Allowing contractors to register for more than one year reduces their chances of failing to re-register annually, and, ultimately, lose their authority to bid on public works projects. This also provides out-year funding stability for the program with more realistic funding expectations.
4. Staggered fee rate – Smaller contractors have a more difficult time paying the \$300 registration fee compared to larger contractors.

SCCA will continue to engage in this conversation and keep you updated on any developments.

Need to talk to us?
We're listening....



Associated General Contractors of America Urge Trump Administration to Make Federal Agencies Responsible Again

The Associated General Contractors (AGC) of America recently released a report to the Trump Administration that details a “Regulatory, Compliance and Enforcement Plan to help build infrastructure, encourage job growth and cut red tape.” The AGC asserts that regulations have been stacked upon regulations in attempts to correct problems, but in the end, results in a more challenging environment in which businesses exist.

The effects of over-regulation, according to the report, “is a chaotic patchwork of federal mandates that often create considerable economic hardship on the construction industry—especially small businesses—amounting to fewer construction projects built and fewer construction jobs available.” It is with this in mind that the AGC makes several recommendations to help make Federal Agencies responsible again.

The AGC breaks their recommendations down into three categories – repeal, tweak, or keep. There are any number of presidential memoranda, rules, and policies that fall under these categories. The AGC argues that to make real change and improve the relationship between federal agencies and contractors that there must first be a shift of Agency attitude – from being an industry opponent to being a partner.

After this shift in approach, then policies can be reviewed and evaluated for their ease of use, implementation, and effectiveness. Report recommendations cover everything from streamlining the permitting process to unwinding unworkable federal policies.

To learn more details about the recommendations, click [here](#). It is certainly worth taking a look.

New Forms Available at Contractors State License Board

The Contractors State License Board (CSLB) have updated their license applications. CSLB will only accept versions of the applications listed on their website with a revision date of October 2016 (“rev. 10/16” in bottom left corner) or later.

Some of the documents are provided in a Portable Document Format (PDF) file, which can be viewed or printed using your Web browser and Adobe’s Acrobat Reader software.

Some of the documents can be ordered online and will be mailed to you. Just click the Order link and fill out the online order form.

In addition, some of the documents are available below as easy-fill forms/applications that will walk you through how to complete the form or application fully and accurately.

These forms are available on the CSLB website and give contractors the opportunity to complete the form and submit it online.

Click [here](#) to access the forms section of the CSLB website.

AB 262 – Opposed by SCCA – Squeaks By

Assemblymember Rob Bonta (D-Oakland) authored AB 262, known as the Buy Clean California Act, which would require an Environmental Product Declaration (EPD) in bid proposals detailing the emissions associated with transporting each covered product, to establish bid preference.

While improving our emissions footprint is a laudable goal, AB 262 will create a challenging and difficult bid process. Due to the large volume of construction materials included in construction projects, the Department of General Services (DGS) will need to evaluate which covered products have a lower carbon footprint compared to other products to establish and apply preferences.

Somehow DGS will need to factor the inclusion of multiple EPDs in a single bid and establish a ranking system in order to develop a bid preference and award the bid.

To the extent that DGS is purportedly unable to provide criteria in advance for determining which EPDs are best, it is unclear how contractors are supposed to do this. Pursuant to this measure, contractors would need to try and evaluate EPDs and speculate as to which ones are best and most impactful.

Ultimately, all this confusion will result in bid protests and litigation, costing public agencies significant time and money. AB 262 creates a confusing and difficult to implement process and it is for these reasons SCCA is opposed.

Labor Enforcement Task Force Offers Initial 5 Year Report to Legislature

The 2012 California budget requires the Department of Industrial Relations to report on a regular basis to the Legislature the outcomes of the Labor Enforcement Task Force (LETF). The first report was recently provided to the Legislature and covers task force activity from 2012-2016.

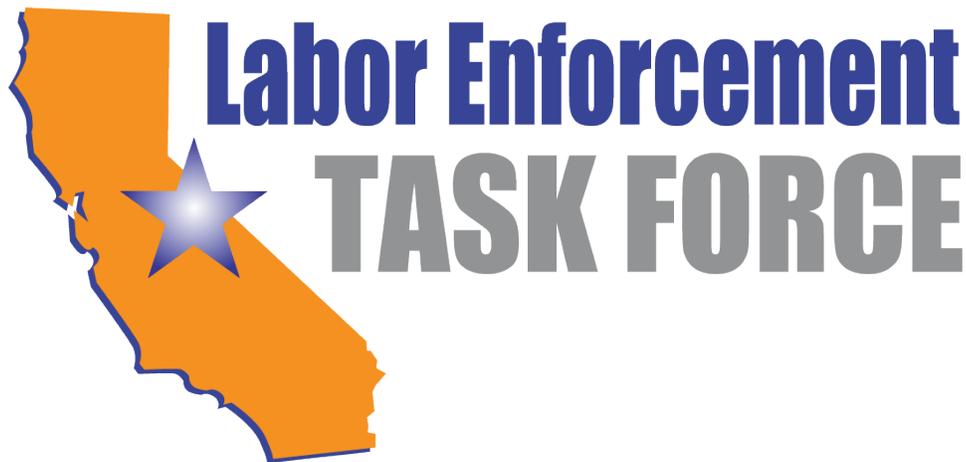
The taskforce is a collaborative effort that includes representatives from the Labor Commissioners Office, Cal/OSHA, Employment Development Department, Contractors State License Board, and other partner agencies working together to identify bad actors, share information and conduct joint enforcement. This partnership allows agencies to share information and data to provide a more comprehensive approach that otherwise would not be available.

This also cuts down on the number of enforcement actions at a place of business because the Task Force can operate collectively.

“The LETF mission is to combat the underground economy in order to ensure safe working conditions and proper payment of wages for workers; to create an environment in which legitimate businesses can thrive; and to support the collection of all California taxes, fees, and penalties due from employers,” said the Department of Industrial Relations in a release.

Appropriate DIR enforcement means less contractors skirting the law and undermining law-abiding contractors.

To learn more about the task force, the enforcement actions, and outcomes for the last five years, click [here](#) to see the full report.



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