



Public Works Contractor Registration Fee 1/30/2015

A reminder to all contractors performing public works in California that you **must** be registered with the Department of Industrial Relations (DIR) in order to bid and perform on public works as of **March 1, 2015**.

Background:

As part of the Governor's Budget, [Senate Bill 854](#) (effective June 20, 2014) established a new public works program to replace the Compliance Monitoring Unit and Labor Compliance Program requirements for bond-funded and other public works projects. Contained in the bill, the DIR included a new \$300 annual fee to be charged to all contractors before they can perform work on public works in California. This fee would support DIR's labor compliance and prevailing wage enforcement activities on public works projects, and replaces the current fee that is levied on bond funded public works projects.

While supporting the concept of the fee, AGC had raised concerns about the manner in which the fee would be implemented and the possibility of serious unintended consequences. Extensive discussions were held with the agency to review industry concerns about bid protests, subcontractor disqualification, voiding of contracts and possible debarment for failing to pay the fee. These issues were resolved before final action was taken on the state budget and the details of the fee and implementation were contained in SB 854.

In July 2014, the DIR launched the [Public Works Contractor Online Application](#) to meet the requirements of SB 854, and began accepting contractor registration fees that will be necessary to bid on public works as of March 1, 2015.

Essentials of the Contractor Registration Program:

- Registration and payment of the \$300 annual fee is completed entirely online.
- Registration is required of any contractor or subcontractor who performs public works in California.
- Registration provides agencies that administer public works programs with a searchable database of qualified contractors.
- Registration will be required for any bid proposal submitted to a public agency on or after March 1, 2015 and applies to any public works contract entered into on or after April 1, 2015.

Public Works Contractor Requirements:

- Certify or provide proof of workers compensation insurance.
- Have no outstanding liabilities for wages, damages, interest, fines or penalties due to an employee or the state.
- Good Standing: Cannot be under federal or state debarment from performing public works.
- Have a valid Contractor's license if necessary for your trade.
- After registration becomes mandatory - no bids or work without registration.

Important Dates:

- July 1, 2014 - Registration and fees began.
- 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 to the Labor Commissioner.

Resources:

[Read the full DIR press release here](#)
[New Public Works Legislation Fact Sheet](#)
[Additional information on SB 854 and the new public works program](#)

For additional information, please contact Dave Ackerman in AGC's Legislative Department at (916) 371-2422 or John Hakel, Vice President of Government Relations at (626) 608-5800.