

Summary of Senate Bill 854 (SB 854)

1. All contractors and subcontractors who bid, or work on a public works project must register with the state and pay an annual fee of \$400.00 to the Department of Industrial Relations (DIR). In order to register, contractors must have valid workers compensation insurance; they must not have any outstanding assessments owed to either the state or any other warding body, or to any workers; and they cannot be debarred on any list (either federal, state, or local).
2. No contractor or subcontractor may be listed on a bid proposal (submitted on or after March 1, 2015) for a public works project unless they are registered with the DIR pursuant to Labor Code Section 1725.5.
3. No contractor or subcontractor may be awarded a contract on a public works project (awarded on or after April 1, 2015) unless they are registered with the DIR pursuant to Labor Code Section 1725.5.
4. No contractor or subcontractor may work on a contract on a public works project (bid on or after March 1, 2015, or awarded on or after April 1, 2015) unless they are registered with the DIR.
5. An awarding body may not accept a bid or enter into a contract for public works with an unregistered contractor.
6. The DIR maintains a current list of registered contractors at:
<https://cadir.my.salesforce-sites.com/ContractorSearch>
7. While the new law does require that all contractors and subcontractors must furnish electronic certified payroll records (ECPR) directly to the Labor Commissioner's Office, contractors and subcontractors working on City of Los Angeles public works projects (as well as those working for three other select awarding bodies, and projects covered by qualifying project labor agreements) are exempt from this requirement. (Note: Any contractor working on a project for a City department or agency which does not utilize the Bureau of Contract Administration's services *must* submit their payrolls through the state's ECPR system to the Labor Commissioner's Office *and* submit the project to the state for monitoring and enforcement. The new law will apply to any project awarded by a City department for construction, alteration, installation, demolition, maintenance, or repair.
8. Violation of the requirements mandated by SB 854 will result in any public works contract entered into with any contractor or subcontractor who has not registered being subject to cancellation.
9. A contractor who fails to pay the renewal fee on or before the expiration of the prior period of registration shall be prohibited from bidding on or engaging in the performance of any contract for the public work until they are once again registered. If the failure to pay the renewal fee was inadvertent, the contractor may renew its registration retroactively by paying an additional penalty renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.
10. If the renewal fee is paid subsequent to 90 days, the contractor will be eligible to bid on public works projects again only if they pay an additional nonrefundable penalty registration fee in addition to the annual registration fee.
11. Go to <https://www.dir.ca.gov/Public-Works/Contractor-Registration.html> for information concerning penalty fees for failing to register or renew, late renewal, or repeat violations.