



550 Olive Street  
Santa Barbara, CA 93101  
805.963.3364  
sbmtd.gov

## SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

### Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation

### Project Summary Sheet

**Project Name:** Bus Stop Blade Fabrication and Installation

**Solicitation Issuance Date:** Thursday, December 5, 2024

**Project Description:** The Santa Barbara Metropolitan Transit District (MTD), a California special district public transit operator, is requesting proposals for the fabrication and installation of the bus stop signs throughout the entire system: 696 signs; plus, 10% blank blades of each size for MTD to decal at a later date. The contract is a California public works project subject to the payment of prevailing wages.

**Project Location:** MTD Business Office address is 550 Olive Street, Santa Barbara, CA 93101. MTD's service area is 52 square miles and includes Santa Barbara, Carpinteria, and Goleta as well as the unincorporated areas of Montecito, Summerland, and Isla Vista.

**Pre-Proposal Meeting:** Monday, December 16, 2024 10:00 AM PST  
Non-Mandatory Video Conference via [Zoom](#)

**Clarification & Change Request Deadline:** Friday, December 20, 2024 at 10:00 AM PST  
Submit Questions to [purchasing@sbmtd.gov](mailto:purchasing@sbmtd.gov)

**Proposal Due Date/Time:** **Thursday, January 16, 2025 at 10:00 AM PST**  
By Sealed Package with Forms and Sample Blade Enclosed to  
Santa Barbara MTD 550 Olive Street Santa Barbara, CA 93101

**Contract Award/Notice to Proceed:** Thursday, February 20, 2025 (anticipated).

**Project Contact:** Valerie White, Purchasing Agent, Phone: 805.963.3364 x 244  
Email: [purchasing@sbmtd.gov](mailto:purchasing@sbmtd.gov)

**Type of Contract:** Firm Fixed Price

Proposers shall be responsible to check MTD's website at <https://sbmtd.gov/about/doing-business/> for updates.



**Request for Proposals  
for  
Bus Stop Blade and Decal Fabrication & Installation**

December 5, 2024

Contact:

Valerie White  
Purchasing Agent  
Santa Barbara Metropolitan transit District  
550 Olive Street  
Santa Barbara, CA 93101  
[purchasing@sbmtd.gov](mailto:purchasing@sbmtd.gov)  
[vwhite@sbmtd.gov](mailto:vwhite@sbmtd.gov)  
805.963.3364 x244

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
**Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation**  
**Solicitation Instruction**

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# SANTA BARBARA METROPOLITAN TRANSIT DISTRICT

## Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation Solicitation Instruction

### 1. PROJECT DESCRIPTION

The mission of the Santa Barbara Metropolitan Transit District (MTD) is to enhance the mobility of South Coast residents, commuters, and visitors by offering safe, appealing, equitable, environmentally responsible, and fiscally sound transit service. To that end, MTD is seeking proposals for a cost-effective Contractor to replace the current 696 bus stop signs along its routes, plus provide 10% blank blades of each size for MTD to decal at a later date. The selected Contractor will identify the best solution and products for fabrication and installation of signs that is in accordance with the attached Scope of Services, MTD's Master Agreement and California provisions for public works projects requiring prevailing wages to be paid.

### 2. PRE-SUBMITTAL ACTIVITIES

#### 2.1 NON-MANDATORY PRE-PROPOSAL CONFERENCE

MTD is planning an optional pre-proposal teleconference which potential Offerors may obtain a better understanding of the work required. Offerors are encouraged to submit questions prior to the meeting by emailing [purchasing@sbmtd.gov](mailto:purchasing@sbmtd.gov). Subsequent to the conference, an amendment to the solicitation containing an abstract of the questions and answers will be disseminated. If the answers to conference questions, or any solicitation amendment, create ambiguities, it is the responsibility of the Offeror to seek clarification prior to submitting an offer.

The teleconference will be hosted on **Monday, December 16, 2024 10:00 AM (local time)** via [Zoom](#).

- Link <https://sbmtd.zoom.us/j/83276789604?pwd=Q2XDjprZCt3nmxoMUBiXWR016CcvRE.1>
- Meeting ID: 832 7678 9604
- Passcode: purchasing
- Call-in option: (669) 444-9171

#### 2.2 COMMUNICATIONS, REQUESTS & CLARIFICATIONS

MTD shall accept questions and consider requests for clarifications or changes only until **Friday, December 20, 2024 at 10:00 AM (local time)**. Offeror may request a clarification or change to any aspect or requirement of the RFP or any addenda thereto. To be considered, such communications must be directed to MTD Purchasing Agent via e-mail to [purchasing@sbmtd.gov](mailto:purchasing@sbmtd.gov). All responses will be provided through written addenda.

#### 2.3 RFP MODIFICATIONS & ADDENDA

MTD reserves the right to amend this RFP through written addenda. **Other than through written addenda, no other form of communication with any officer, employee or agent of MTD shall be binding upon MTD.** This includes any remarks or clarifications given at the pre-proposal conference; all terms and conditions of the solicitation remain unchanged unless they are changed by amendment to the solicitation. Failure of an Offeror to receive any addendum shall not relieve it from any obligation under the RFP as clarified or modified. Any addenda will be sent via e-mail to all parties known to have received the RFP and concurrently posted to MTD's website at <https://sbmtd.gov/about/doing-business/>.

## 2.4 REGISTRATION WITH THE CALIFORNIA DEPARTMENT OF INDUSTRIAL RELATIONS

This project is identified as Public Works as defined in the California Labor Code 1720. The project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations (DIR). Contractors and subcontractors must be registered with the [DIR](#).

- No contractor or subcontractor may be listed on a bid proposal for a public works project unless registered with the DIR
- No contractor or subcontractor may be awarded a contract for public work on a public works project unless registered with the DIR.
- Anyone working on a public works project must be paid prevailing wages as determined by DIR. Projects of \$30,000 or more must meet DIR's apprenticeship requirements.

Copies of the prevailing rate of per diem wages are on file at MTD, which shall be made available to any interested party on request. Prevailing wages for Santa Barbara County may also be found at: <https://www.dir.ca.gov/OPRL/DPreWageDetermination.htm>.

More information about the applicable rules and procedures, including those listed above, may be found at <https://www.dir.ca.gov/Public-Works/PublicWorks.html>.

- **Failure of an Offeror and its subcontractors to be properly registered with DIR and showing in the DIR database at the time of price proposal opening will render its proposal non-responsive, and it will be rejected in accordance with DIR regulations.**

## 3. PROPOSAL PREPARATION & SUBMITTAL

### 3.1 SUBMITTAL CHECKLIST

A complete, responsive proposal shall provide the following:

- Bidder Information
- Acknowledgement of Addenda
- Price Bid
- References & Subcontractors
- Non-Collusion Declaration and Compensation Certification
- Sample MTD Bus Stop Sign Blade

### 3.2 MTD FORMS

In the attached MTD forms, MTD may interchangeably use the terms “Bidder,” “Offeror,” “Proposer” “Firm” and “Contractor.”

**☐ Bidder Information** – Proposal shall include the fully completed *Bidder Information* form included in this RFP package. The form is two-pages seeking company information, a description of the proposed work plan and acknowledgement and acceptance of the contract terms and conditions including:

- Its ability and willingness to obtain insurance meeting the requirements indicated in paragraph 18 of the *Master Agreement*.
- It has conducted at least two (2) years of Public Works project experience.
- It possess sufficient expertise and at least (2) years of experience in providing signage as described in the *Scope of Services* to public agencies of similar size and scope of MTD.

**☐ Acknowledgement of Addenda** – Offeror shall acknowledge either receipt of each Addendum, or that there were no addenda, by including in its proposal the fully completed and signed *Acknowledgement of Addenda* form in this RFP package.

**☐ Price Proposal** – Proposal shall include the fully completed and signed *Price Proposal* form included in this RFP package showing the total compensation for carrying out the project under the terms of the Agreement. **Failure to include a completed and signed price proposal using the provided form will render a proposal non-responsive and it will be rejected.**

**☐ References & Subcontractors**– Proposals shall include the fully completed *References & Subcontractors* form included in this solicitation. Work references shall include sign projects similar to that described in this RFP to the extent feasible. Please be certain to list contact names and phone numbers that are current.

**☐ Noncollusion Declaration/Compensation Certification** – Proposal shall include the signed and dated *Noncollusion Declaration* and *Compensation Certification* forms included in this RFP package.

### 3.3 SAMPLE SIGN

**☐ Work Sample** – Offerors will be responsible for the cost of producing and shipping a sample MTD Bus Stop Sign Blade.

Offerors must submit one (1) sample baked enamel bus stop blade that demonstrates their ability to meet the *Scope of Services* design and fabrication standards. The ideal sample sign should feature:

- 10”W x 14.5”H
- 0.080” thick blank aluminum
- 3/4” radius corners
- Logo on plain white background
- Route decal, ADA/No Smoking info decal

Also to be evaluated:

- MTD-branded colors
- ability to reproduce MTD logo
- style and/or design form of fonts and symbols
- the durability (MTD shall assess if the sign will withstand Santa Barbara’s coastal environment).

Sample sign may be used, mounted and tested in the outdoors for up to 30-days. After evaluation, the used sample sign will only be returned if it is requested and there are instructions with return address provided at that time of submittal.

### 3.4 SUBMITTAL

**Proposals will only be accepted until Thursday, January 16, 2025 at 10:00 AM (local time).**

One (1) original set of completed forms and one (1) sample fabricated bus stop blade shall be submitted in a non-transparent, sealed envelope or appropriate packaging plainly marked on the exterior with the name of the Offeror and "Bus Stop Blade RFP". Original proposals may not be e-mailed.

Sealed Proposals packages shall be addressed and delivered to:

Santa Barbara Metropolitan Transit District  
RFP– Bus Stop Blade and Decal Fabrication & Installation  
550 Olive Street  
Santa Barbara, CA 93101

- If using US Mail or delivery service, bids must still be enclosed in the specified packaging within any delivery service packaging.
- Hand-delivered sealed bids shall be accepted by appointment. MTD administrative offices are currently closed to the public. Deliveries can be accepted pre-arranging a delivery time Monday through Friday, from 8:00 AM - 5:00 PM (local time), by first calling 805-963-3364 ext. 200.

Unless determined solely by MTD that a proposal was late due to the fault of MTD, submittals received after such time cannot be considered by MTD. There will be no public opening of proposals.

### 3.5 WITHDRAWAL OF PROPOSALS

An Offeror may withdraw a proposal any time prior to the submittal deadline by sending an email request from the Offeror's authorized representative. A proposal may be resubmitted by the submittal deadline.

### 3.6 PROPOSAL SUBMITTAL STIPULATIONS

Proposals submitted will remain valid for ninety (90) calendar days following the bid due date. **MTD will not pay any cost incurred by Offeror resulting from preparation or delivery of its proposal.** MTD reserves the sole right to review, accept or reject proposals; or to cancel this solicitation in whole or in part if it is in MTD's best interest to do so.

Proposals received by MTD become the property of MTD; however, used sample products may be returned to Offeror if submittal includes a written request with instructions with their submittal.

## 4. PROPOSAL EVALUATION

### 4.1 PROPOSAL DEVIATIONS & COLLUSION

MTD may reject any proposal that includes unacceptable deviations or is not prepared in accordance with the instructions and requirements of this RFP. MTD reserves the right to waive any defects, or minor informalities or irregularities in any proposal which do not materially affect the proposal or prejudice other Offerors. If there is any evidence indicating that two or more Offerors are in collusion to restrict competition or otherwise engaged in anti-competitive practices, the proposals of all such offers shall be rejected and such evidence may be a cause for disqualification of the participants in any future MTD solicitations.

### 4.2 RESPONSIVENESS

MTD shall examine all proposals for completeness and responsiveness to the provisions of this RFP. MTD may request additional or clarifying information from an Offeror. Proposals that do not contain all required materials, product sample, information or forms; or where such materials, information or forms are substantially incomplete may be considered non-responsive and rejected by MTD.

### 4.3 EVALUATION

Responsive proposals from Offerors shall be subject to assessment as follows:

**Review by an Evaluation Committee** – The purpose of the Evaluation Committee is to establish the firm that the committee believes will provide MTD with the best “value.” Value for this RFP is determined by

assigning weight to three principal criteria: 20% - Firm Experience and Work Plan; 40% - Price Proposal; 40% - Bus Stop Blade Product Sample.

The sample should effectively showcase the Offeror's capabilities. Sample products shall be installed and tested outdoors for an extended period of up to 30-days. The Evaluation Committee will evaluate and rank submittals to determine the most qualified Offeror(s).

**Determine Responsibility** – For the top ranking responsive proposal(s), MTD shall make an assessment of the Offeror's "responsibility." For purposes of this RFP, responsibility is defined as evidence of adequate technical capacity and experience to carry out the project work and satisfactory performance in previous contracts. Such process will use the reference information provided in the submittal and may involve requesting additional or clarifying information from an Offeror. The proposal from any Offeror not found to be responsible shall be considered non-responsive and rejected by MTD.

The top ranking Offeror may be invited to negotiate terms and/or asked to submit a Best and Final Offer (BAFO). MTD reserves the right to award a contract without any negotiations if deemed unnecessary to determine the most qualified, responsible Offeror with a fair and reasonable price proposal.

#### **4.4 BEST AND FINAL OFFER**

MTD may require the top ranking Offeror to submit a BAFO, which may include modifications to their Proposal in response to any issues, concerns and questions that were raised during the evaluation period.

### **5. CONTRACT AWARD**

#### **5.1 AWARD PROCESS**

If considered in MTD's best interest, the MTD General Manager shall award a contract to the Offeror that has submitted the proposal that MTD finds provides the best value. It is anticipated that such award recommendation will be considered by February 20, 2025.

#### **5.2 CONTRACT EXECUTION**

The contract will be executed as soon as practical after contract award and receipt of certificates of insurance meeting MTD requirements. The contract will include the *MTD Master Agreement*, the *State of California Provisions for Public Works Projects*, the *Scope of Services* and relevant portions of the Contractor's proposal (and any subsequent BAFO). A *Notice to Proceed* will be issued upon execution of the contract.

### **6. PROTEST PROCEDURES**

MTD has established procurement protest procedures to ensure uniform, timely, and fair consideration of complaints received by MTD concerning its procurement activities. Such procedures are available on MTD's website at: <https://sbmtd.gov/about/doing-business/>.

### **7. DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM**

It is MTD's policy to create a level playing field for Disadvantaged Business Enterprises, ensure the program is narrowly tailored to applicable law, ensure that only firms that meet eligibility standards participate in the program, and assist in the development of firms so they can compete successfully in the marketplace outside of the DBE program. Additional information is available on MTD's website at: <https://sbmtd.gov/about/doing-business/>.

End of Solicitation Instructions Text (Also See Attachments 1-4)





# **Bus Stop Sign Blade and Decal Fabrication & Installation**

## **Forms and Certifications**

December 5, 2024

**Santa Barbara Metropolitan Transit District  
550 Olive Street • Santa Barbara, CA 93101**

**Phone: (805) 963-3364 • Fax: (805) 963-3365 • Website: [www.sbmtd.gov](http://www.sbmtd.gov)**

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
**Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation**  
***BIDDER INFORMATION FORM***

**General Information**

Business Name of Bidder: \_\_\_\_\_

Business Type:     Corporation (State of Incorporation: \_\_\_\_\_ )                       Partnership  
                          Sole Proprietorship                                                                                               Other: \_\_\_\_\_

Special Business Designations (DBE, MBE, WBE, etc): \_\_\_\_\_

Business Federal Tax ID Number: \_\_\_\_\_ DUNS Number (if have one): \_\_\_\_\_

DIR Registration Number: \_\_\_\_\_ DIR Expiration: \_\_\_\_\_

**Corporate Headquarters**

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Local Office**     (check box at left & leave below blank if the local office is the HQ or there is no local office)

Street Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**Authorizing Contact** (person authorized to bind the firm contractually)

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Location:     HQ             Local Office             Other: \_\_\_\_\_

Telephone: \_\_\_\_\_ Cell: \_\_\_\_\_ E-Mail: \_\_\_\_\_

**Project Manager** (MTD point of contact for bringing the project to completion at the bid price)

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Location:     HQ             Local Office             Other: \_\_\_\_\_

Telephone: \_\_\_\_\_ Cell: \_\_\_\_\_ E-Mail: \_\_\_\_\_

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
**Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation**  
***BIDDER INFORMATION FORM (continued)***

**Company Introduction and Experience:**

Include any experience with public transit agencies and/or projects subject to Public Works.

**Work Plan for the Project as described in the Scope of Services:**

Include a proposed schedule to complete the Project over a four month period.

**Describe any subcontractor use and the relationships:**

**Certification**

- I have read, understand, and agree to the terms and conditions of this solicitation and any ensuing contract that is awarded as a result of this solicitation. Such documents include the Solicitation Instructions, Scope of Services, MTD Master Agreement, and any other documents, terms, or conditions cited within them. MTD will not negotiate or modify contractual terms and conditions unless it is in its best interest to do so.
- The company has the ability and willingness to obtain insurance meeting the requirements indicated in paragraph 18 of the Master Agreement and that a Certificate of Liability Insurance and endorsements meeting such requirements must be provided to MTD prior to contract implementation.

\_\_\_\_\_  
Authorized Official Signature

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Authorized Official Name

\_\_\_\_\_  
Authorized Official Title

\_\_\_\_\_  
Business Name of Bidder

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
**Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation**  
**ACKNOWLEDGEMENT OF ADDENDA**

The undersigned acknowledges the Offeror's receipt of the following addenda to this RFP and has incorporated information or changes in said addenda within its submittal (if no addenda were received, write "None" in the first blank):

|              |       |       |       |
|--------------|-------|-------|-------|
| Addendum No. | _____ | dated | _____ |
| Addendum No. | _____ | dated | _____ |
| Addendum No. | _____ | dated | _____ |
| Addendum No. | _____ | dated | _____ |
| Addendum No. | _____ | dated | _____ |
| Addendum No. | _____ | dated | _____ |

Note: It is the Offeror's responsibility to ensure it receives all addenda which are posted on the MTD website at <http://www.sbmtd.gov/about/doing-business/>.

\_\_\_\_\_  
Authorized Official Signature

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Authorized Official Name

\_\_\_\_\_  
Authorized Official Title

\_\_\_\_\_  
Business Name of Bidder

(Signer must match authorized official shown on Bidder Information form)

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**

**Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation**  
**PRICE PROPOSAL**

| Description                                                                                                                                                                                                 | Price |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| Part 1: Manufacture of New Bus Stop Signs                                                                                                                                                                   | \$    |
| Part 2: Printing and Application of Bus Stop Decals                                                                                                                                                         | \$    |
| Part 3: Sign Installation                                                                                                                                                                                   | \$    |
| Applicable Taxes (8.75%)                                                                                                                                                                                    | \$    |
|                                                                                                                                                                                                             |       |
| <b>TOTAL BID</b><br><b>Proposed Price to furnish all labor, materials, equipment, and to perform operations and services necessary to complete the Project Work as specified in the Contract Documents:</b> | \$    |

The Bidder hereby represents and warrants that:

1. It has sufficiently informed itself in all matters affecting the performance of the work, or the furnishing of the labor, supplies, material, or equipment called for in carrying out the project.
2. It has reviewed the Contract Documents including the most recent *MTD Master Agreement*, the *State of California Provisions for Public Works Projects*, and the *Scope of Services* and agrees to the terms and conditions thereof.
3. It will meet the minimum insurance coverage requirements in paragraph 18 of *MTD Master Agreement*, and ensure its subcontractors compliance with MTD’s insurance coverage requirements.
4. It will pay prevailing wages and make available evidence of its compliance, and its subcontractors compliance, with general prevailing wage rates.
5. Its bid has been thoroughly checked for errors and omissions and the costs, prices, hours, rates, and any other constituents of this Price Bid are a complete and correct statement of its price for performing all project work required by the Contract Documents.
6. Its bid is genuine, not sham or collusive, nor made in the interest of any person not herein named; that it has not in any illegal manner sought to secure for itself any advantage over any other Bidder.
7. It is understood and agreed that MTD reserves the right to reject any or all bids if, in MTD’s sole discretion, that is believed by MTD to be in its best interests. MTD also reserves the right to waive any informality or irregularity in any bid received and to be the sole judge of the merits of the bid(s) received.
8. Its bid is valid for 90 calendar days following the bid due date.

\_\_\_\_\_  
Authorized Official Signature

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Authorized Official Name

\_\_\_\_\_  
Authorized Official Title

\_\_\_\_\_  
Business Name of Bidder

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
**Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation**  
***References & Subcontractors***

Business Name of Bidder: \_\_\_\_\_

***Credit References***

**Include your primary bank or a firm that you currently purchase materials or services from on credit.**

Business Name: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Contact Phone: \_\_\_\_\_ Contact E-Mail: \_\_\_\_\_

---

***Work References***

**Include recent clients for which you have provided signage for similar work to that described in the RFP.**

Client Name: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Contact Phone: \_\_\_\_\_ Contact E-Mail: \_\_\_\_\_

Description of Work: \_\_\_\_\_  
-----

Client Name: \_\_\_\_\_ Contact Name: \_\_\_\_\_

Contact Phone: \_\_\_\_\_ Contact E-Mail: \_\_\_\_\_

Description of Work: \_\_\_\_\_  
-----

***Subcontractors***

List subcontractors for any portion of work to be performed under Contract in excess of one half (1/2) of one percent (1%) of the Bidder's total bid and provide other requested information.

Subcontractor Name: \_\_\_\_\_ Craft/Work: \_\_\_\_\_

DIR Registration Number: \_\_\_\_\_ DIR Expiration: \_\_\_\_\_

Amount of Work: \$ \_\_\_\_\_ Portion of Work \_\_\_\_\_ %

Location/Address: \_\_\_\_\_

Contact Name: \_\_\_\_\_ Contact E-Mail: \_\_\_\_\_

Special Business Designations (DBE, MBE, WBE, etc): \_\_\_\_\_

Business Federal Tax ID Number: \_\_\_\_\_ DUNS Number (if have one): \_\_\_\_\_

*If more space is needed, this page may be copied and additional references or subcontractors listed.*

**SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**  
**Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation**  
***NONCOLLUSION DECLARATION***

The undersigned declares:

I am the \_\_\_\_\_ of \_\_\_\_\_,  
(title) (business name of bidder)

the party making the included bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_, at \_\_\_\_\_, \_\_\_\_\_.  
(date) (city) (state)

\_\_\_\_\_  
Authorized Official Signature

\_\_\_\_\_  
Authorized Official Name (printed)

***COMPENSATION CERTIFICATION***

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

\_\_\_\_\_  
Authorized Official Signature

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Authorized Official Name

\_\_\_\_\_  
Authorized Official Title



# Bus Stop Sign Blade and Decal Fabrication & Installation

## Scope of Services

December 5, 2024

### Exhibits



SBMTD Exhibit A  
Bus Stop Inventory,



SBMTD Exhibit B  
Decal Quantities.xls

**Santa Barbara Metropolitan Transit District**

**550 Olive Street • Santa Barbara, CA 93101**

**Phone: (805) 963-3364 • Fax: (805) 963-3365 • Website: [www.sbmtd.gov](http://www.sbmtd.gov)**



# **SANTA BARBARA METROPOLITAN TRANSIT DISTRICT**

## **Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation SCOPE OF SERVICES**

### **Project Introduction**

The Santa Barbara Metropolitan Transit District (MTD) provides fixed-route bus service in the cities of Santa Barbara, Carpinteria, Goleta, and unincorporated areas of southern Santa Barbara County. With over 4.5 million passenger trips provided each year, MTD is the largest public transportation operator in Santa Barbara County. In 2017, MTD unveiled a new logo and color scheme to better reflect the community we serve, changing from yellow and black to blue and teal.

As part of this rebranding effort, MTD has developed a new bus stop sign. Thus, MTD seeks a Contractor for this three-part Project:

1. Manufacture of new bus stop signs (quantity: 696)
2. Printing and application of route and info decals (quantity: 4,612 decals on signs, plus extra (see below for exact quantities)) (1-16 decals per sign)
3. Removal and replacement of existing bus stop sign blades (quantity: approximately 696 signs)

### **Schedule**

- All work shall be completed within four (4) months of the issuance of a notice to proceed.
- Work shall be completed in a manner that minimizes the impact on MTD bus service.
- Contractor shall supply proposed work schedule with bid.

### **Acceptance**

See *MTD Master Agreement*. Each fabricated sign with applied decals must be signed off by MTD before acceptance and installation, and each installed sign must be photographed and signed off by MTD prior to acceptance.

### **Warranty**

See *MTD Master Agreement*. Contractor shall guarantee their workmanship for a period of five (5) years. This warranty will cover, but not be limited to, fading, peeling, and cracking of the sign and/or decals, rusting or decay of the sign or mounting hardware.

### **Specifications**

Part 1: Manufacture of New Bus Stop Signs

REQUIREMENT: Contractor will manufacture and deliver new bus stop signs. Final design files will be provided to Contractor by MTD Project Manager

QUANTITY: Contractor shall be responsible for producing and delivering approximately 696 new MTD bus stop signs using the design provided by MTD. Signs will have identical front and back sides. Contractor will also provide additional blanks in the quantity of approximately 10 percent of each size listed below.

SPECIFICATIONS: Each sign is to have a 10"W x 10"H baked enamel color logo at the top of the sign (shown below), with the rest of the sign in white baked enamel.



DIMENSIONS:

All signs:

- 0.080" thick blank aluminum
- 3/4" radius corners

Size 1: 10"W x 12.25"H (QTY 90)

Size 2: 10"W x 14.5"H (QTY 300)

Size 3: 10"W x 16.75"H (QTY 150)

Size 4: 10"W x 19"H (QTY 101)

Size 5: 10"W x 21.25"H (QTY 30)

Size 6: 10"W x 23.5"H (QTY 25)

**The numbers above do not include the required 10% additional blank signs of each size.** Contractor will manufacture an (approximate) additional 10% signs of each size above for spares.

SIGN COLORS: The signs will have designs using MTD branding colors provided below:

| Color    | RGB                | CYMK                    | PMS Spot Color |
|----------|--------------------|-------------------------|----------------|
| White    | R=255,G=255, B=255 | C=0, M= 0, Y=0, K=0     | WHITE          |
| Sea Blue | R=0, G=119, B=200  | C=100, M= 40, Y=0, K=22 | PMS 3005 C     |
| Teal     | R=0, G=178, B=169  | C=100, M=0, Y=5, K=30   | PMS 326 C      |

SPECIFICATIONS:

- Signs will be two-sided, single sheet aluminum with baked enamel logo and blank white area.
- The base metal will be new blank aluminum with a thickness of 0.080”.
- Mounting holes drilled will be 3/8” diameter holes, Generally one centered in the top and bottom of the sign, but may vary based on the mounting situation on each pole or post. Contractor should plan to drill in the field based on each situation.
- Metal panels will be cut to size and shape and will be free of buckles, warps, dents, cockles, burrs and any other defects. Cutting and punching of the holes will be completed prior to metal pretreatment.
- Prior to the application of decal reflective sheeting, the base will be thoroughly cleaned, degreased and coated according to industry standards.
- All decals must be made of White 3M High Intensity Prismatic (HIP) Sheeting Series 3930 or approved equivalent. Contractor will be able to certify the purchase and use of this material.
- The reflective sheeting will be applied and cleaned in accordance with manufacturer specifications for outdoor use.
- All decals must have a clear anti-graffiti film on both sides to help protect from markings/stickers with a clear Anti-Graffiti Film: 3M Anti-Graffiti Protective Overlay Series 1160.
- There will be no splicing of sheeting material on finished panels.
- No air pockets or bubbles will exist between the sheeting and the base metal.
- The finished signs will have a radius of three-quarters (3/4) inches, top and bottom.

Part 2: Printing and Application of Bus Stop Decals

REQUIREMENT: Contractor will print reflective and anti-graffiti coated decals and apply the decals to the new bus stop signs. Contractor shall meet in person with MTD staff to discuss summary of work prior to implementation. Final design files will be provided after contract award.

QUANTITY: Contractor shall be responsible for printing 4,612 decals using the design provided by MTD and applying the decals to 696 new bus stop signs (as noted in **Exhibits A and B**).

**DECALS:**

Large route decals, 10" x 2.25"- Quantity: 2,078 (as specified in **Exhibit B**)

Small route decals, 3.25" x 2.25"- Quantity: 122

ADA/No Smoking info decals, 10" x 2.25"- Quantity: 1,389

No Smoking only info decals, 10" x 2.25"- Quantity: 429

Large route decal spares- Quantity of 5 spares per decal, total quantity: 460

Small route decal spares- Quantity of 5 spares per decal, Quantity: 95

ADA/No Smoking info decals spares- Quantity: 20

No Smoking only info decals- Quantity: 20

**SPECIFICATIONS:**

- Sheeting: White 3M High Intensity Prismatic (HIP) Sheeting Series 3930 or approved equivalent
- Clear Anti-Graffiti Film: 3M Anti-Graffiti Protective Overlay Series 1160 or approved equivalent
- The front and back of the sign will have blank space for a set of adhesive decals. There are two sizes of route decals.
- The most common route decal size is large, at 10" wide x 2.25" high. The large decals will provide route number/letter, route description and days of service information.
- The other, less common route decal size is small, at 3.25" wide x 2.25" high. The small decals only contain the route number, and are used in instances where a stop is served by 6 or more routes.
- Each sign will have an info decal that contains a no-smoking symbol, and for stops that are ADA-accessible, an ADA symbol. Which info decal belongs on each stop's sign is indicated in the decal list in Column I on the Decal and Sign Database.
- Decals shall be printed on a white class III 3M High Intensity Prismatic (HIP) Sheeting background or similar. Actual Design will be provided after contract award. See example below.
- The adhesive for the decals shall be strong enough to withstand the elements outdoors.
- The decals will need to be able to adhere to an anti-graffiti overlay that will be on the bus stop signs.
- Affixing of the decals shall be in the order specified in column "I" of the Decal and Sign Database list within the guiding lines on the sign.
- The adhesive decals shall be applied to new blank bus stop signs straight, centered and free of cockles, air pockets or bubbles between the decals and the blank sign.
- A list of the quantity and description of the decals and bus stop signs shall be provided to the Contractor in Excel format by MTD Project Manager.
- A sample of the decals shall be sent to MTD for approval.

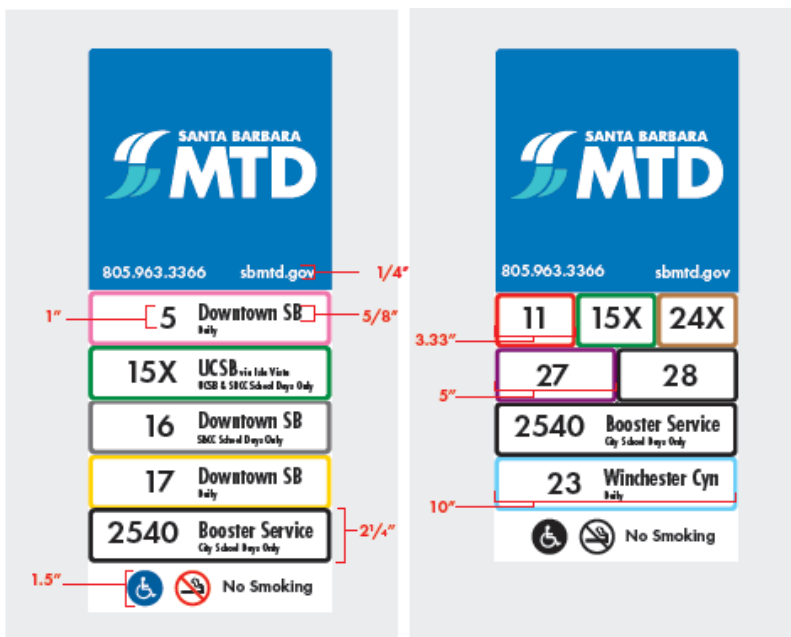
10”W x 2.25”H route decal example:



Set of 3 small route decals (3.33”W x 2.25”H each) example:



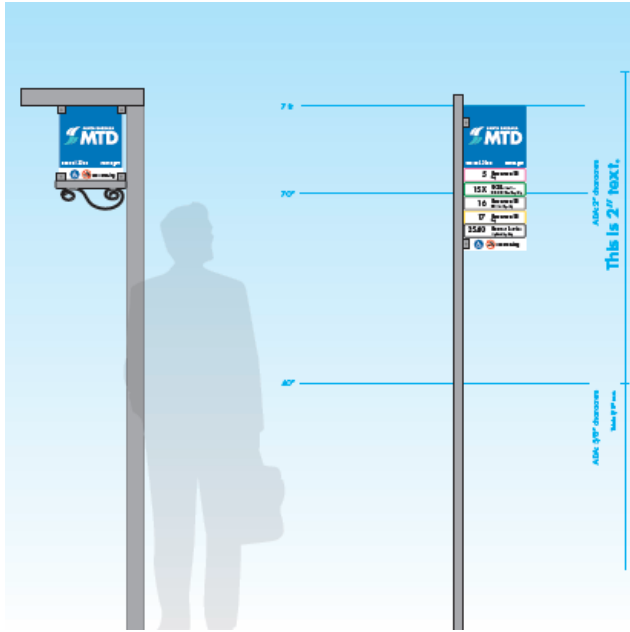
Sign with decals applied example (just a mockup, actual decal designs may differ):



### Part 3: Sign Installation

**REQUIREMENT:** Contractor will install the new bus stop signs, while removing the existing bus stop signs currently deployed throughout MTD’s service area. **See Exhibit A for further information on stop characteristics.**

**Example of mounted signage on shelter (left) and pole (right):**



**SPECIFICATIONS:** Contractor must adhere to the following material specifications and summary of work.

- Contractor will be provided a bus stop database list (Exhibit A) that includes bus stop location (primary street, cross street), route number, stop location in relation to intersection and direction of travel, post type, mount type, latitude, longitude, decal ID, decal information, sign ID in Excel format. Upon award, MTD Project Manager will meet with Contractor to further review installation procedures and expectations.
- Contractor shall remove existing bus stop signs and install the new signs at the same time and on the same post. The new signs should be mounted in the same location as the sign being removed.
- The scope of work assumes the removal of all existing signs and the installation of all new signs onto suitable posts. Contractor shall notify project manager of posts deemed not viable for use.
- Existing bus stop signs are currently mounted on a variety of poles and shelters. 2” square and round poles, 4x4 wooden posts, bus stop shelters, utility posts, buildings and other structures.
- Mounting hardware and materials will be provided by Contractor. Contractor is responsible for the purchase of and providing all installation tools and materials including, but not limited to, nuts, bolts, washers, fasteners/hardware, strapping and mounting hardware (for mounting on other types of posts: telephone pole, lamp post, etc.). Contractor must share information on proposed hardware with project manager for approval prior to final selection and purchase.
- If the existing bus stop sign is on mounted on a shared post, only MTD Bus Stop Signs shall be removed and replaced.
- After the new sign installation is complete, the old signs shall be returned to MTD. Removed hardware may be disposed of after removal.
  - All materials are to be delivered to MTD’s office at 550 Olive Street, Santa Barbara, CA 93101

**End of Scope of Services text**

**(see Exhibits A, B)**



# **Bus Stop Sign Blade and Decal Fabrication & Installation**

## **Draft Master Agreement**

December 5, 2024

**Santa Barbara Metropolitan Transit District  
550 Olive Street • Santa Barbara, CA 93101**

**Phone: (805) 963-3364 • Fax: (805) 963-3365 • Website: [www.sbmtd.gov](http://www.sbmtd.gov)**

**Santa Barbara Metropolitan Transit District**  
***Bus Stop Blade and Decal Fabrication & Installation***

**MASTER AGREEMENT with [CONTRACTOR]**

THIS AGREEMENT is entered into by and between Santa Barbara Metropolitan Transit District, an incorporated transit district under Sections 95000, et seq. of the California Public Utilities Code ("MTD"), and [insert contractor name], a [insert state name] [insert business type] ("Contractor"), at Santa Barbara, California, as of the later date set forth below the signatures executing this Agreement.

WHEREAS:

- A. MTD desires to engage Contractor for the fabrication and installation of the bus stop signs throughout the entire service area: 696 signs; plus, 10% blank blades of each size for MTD to decal at a later date (the "Project");
- B. Contractor represents that it has the knowledge and experience to carry out the Project, and desires to carry out the Project pursuant to the terms and conditions hereof, and;
- C. Based upon the representations made by Contractor, MTD desires to retain the services of Contractor to carry out the aforesaid Project, upon the within terms and conditions.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

- 1. Effect of Recitals. The foregoing recitals are hereby made express provisions of this Agreement.
- 2. FTA Provisions. Not applicable to this agreement.
- 3. Public Works Provisions. This Project is subject to the *State of California Provisions for Public Works Projects*, which is attached hereto as Exhibit "A" and incorporated herein by this reference
- 4. Scope of Services. MTD has heretofore issued on December 5, 2024, the scope of services contained in Request for Proposals for Bus Stop Blade and Decal Fabrication & Installation, a true copy of which is attached hereto as Exhibit "B" and incorporated herein by this reference.
- 5. Proposal. Contractor has heretofore submitted on [insert date] a proposal to carry out the Project, true copies of relevant parts that are attached hereto as Exhibit "C" and incorporated herein by this reference. [modified if multiple proposals, BAFO, etc. submitted]
- 6. Order of Control. Contractor shall carry out the Project described in Exhibit "B" to this Agreement for the price quoted in Exhibit "C". All work and services shall be performed according to and controlled by the terms and provisions of this Agreement and the exhibits attached hereto. In the event of any conflict between the contract documents, the following order of control shall prevail: MTD Master Agreement, Exhibit "A", Exhibit "B", Exhibit "C". [order modified & add or delete exhibits as needed]
- 7. Contract Price. Contractor shall carry out the Project for a fixed price of [insert price] which is in accordance with Exhibit "C".
- 8. Payment. Contractor shall submit an invoice to MTD upon completion of each milestone part of the Project (as described in the scope of services: Part 1: Manufacture of New Bus Stop Signs; Part 2: Printing and Application of Bus Stop Decals; and Part 3: Sign Installation). Upon receipt of satisfactory evidence of milestone achievement and valid invoice, MTD shall make payment to the Contractor the specified milestone payment no later than thirty (30) days after acceptance by MTD (see paragraph 15). Invoices shall be sent to both Project Manager at Santa Barbara MTD at [HBlackerby@sbmtd.gov](mailto:HBlackerby@sbmtd.gov) and Accounts Payable at Santa Barbara MTD at [AP@sbmtd.gov](mailto:AP@sbmtd.gov).
- 9. Taxes. MTD is exempt from the payment of Federal Excise and Transportation taxes. Unless specified otherwise in the Agreement, MTD is subject to applicable California Sales Tax for Santa Barbara County which shall have been included in the Contractor's proposal price and shall be included on the Contractor's invoice.
- 10. Project Schedule. Contractor shall meet the schedule described in Exhibit B where all work shall be completed within four (4) months of the issuance of a formal notice to proceed made by MTD.



11. Delivery & Freight. Unless specified otherwise in the scope of services, any item provided under this Agreement shall be delivered FOB Santa Barbara to 550 Olive Street, Santa Barbara, CA 93101. Any Project freight and delivery charges shall have been already included in the Contractor's proposal price and shall not be paid otherwise by MTD.

12. Title & Risk of Loss. The Contractor shall have title to and bear the risk of any loss of or damage to any item provided hereunder until delivered and, if applicable pursuant to this Agreement or standard industry practice, installed or otherwise set up for usage. Upon such delivery and applicable installation and setup, title shall pass from the Contractor to MTD, and the Contractor's responsibility for loss or damage shall cease, except for loss or damage resulting from the Contractor's negligence. Such passing of title shall not constitute acceptance of an item by MTD. The Contractor shall further warrant that the title to any item provided hereunder is free from all claims, encumbrances and liens.

13. Damages. All losses or damages arising from any unforeseen circumstances, either natural or artificial, which may be encountered by the Contractor during the performance of the Project under this Agreement shall be sustained solely by the Contractor. This provision shall also apply to losses or damages resulting from any act or omission not authorized by this Agreement on the part of the Contractor or any agent or person employed by the Contractor.

14. Defective, Damaged or Noncompliant Work. Any items, services, work or systems acquired pursuant to this Agreement found to be defective, damaged or non-compliant with the scope of services at the time of delivery or installation shall be replaced by the Contractor without additional cost to MTD. If the Contractor should fail to promptly comply with any order to replace or repair any defective items, services, work or systems, MTD shall have the authority to deduct the cost of such replacement or repair from any compensation due or to become due to the Contractor. Nothing in this section shall limit or restrict any warranty provisions of this Agreement or any exhibits hereto.

15. Acceptance. All items, services, work or systems to be furnished by the Contractor pursuant to this Agreement shall be subject to acceptance by MTD. MTD shall inspect such deliverables to determine acceptability no later than ten (10) calendar days after said deliverables are received and, if applicable under the Agreement or standard industry practice, installed or otherwise set up for usage. Acceptance shall occur when it is determined by MTD that all items, services, work or systems provided pursuant to this Agreement are in compliance with the scope of services or any other applicable contract documents. Upon acceptance, formal notification thereof shall be made by MTD via notice to the Contractor.

16. Warranty. The Contractor shall warrant to MTD that, for five (5) years after MTD's full acceptance of items, services, work or systems, each shall conform with the requirements hereof and be free of defects. In addition to other remedies which may be available, MTD may at its option return any non-conforming or defective items to the Contractor and/or require correction or replacement of said item when the defect is discovered, all at the Contractor's risk and expense. If MTD does not require such correction or replacement of non-conforming or defective items, the Contractor shall repay such portion of the payment specified herein or such additional amount as is equitable under the circumstances. The rights of MTD hereunder are in addition to, and not limited by, the Contractor's standard warranties. Acceptance of items, services, work or systems by MTD, or payment therefor, shall not relieve the Contractor of its obligations thereunder.

17. Changes. Any changes or modifications to this Agreement must be in writing, and agreed to by both parties.

18. Insurance.

a. Contractor's Insurance Representations to MTD.

i. It is expressly understood and agreed that the insurance coverages required herein:

A. represent MTD's minimum requirements and are not to be construed to void or limit Contractor's indemnity obligations as contained in this Agreement nor represent in any manner a determination of the insurance coverages Contractor should or should not maintain for its own protection; and

B. are being, or have been, obtained by Contractor in support of Contractor's liability and indemnity obligations under this Agreement. Irrespective of the requirements as to insurance to be carried as provided for herein, the insolvency, bankruptcy, or failure of any insurance company carrying insurance

of Contractor, or the failure of any insurance company to pay claims accruing, shall not be held to affect, negate, or waive any of the provisions of this Agreement.

ii. Failure to obtain and maintain the required insurance shall constitute a material breach of, and default under this Contract. If Contractor shall fail to remedy such breach within five (5) business days after written notice by MTD, Contractor will be liable for any and all costs, liabilities, damages and penalties resulting to MTD from such breach, unless a written waiver of the specific insurance requirement(s) is provided to Contractor by MTD. In the event of any failure to Contractor to comply with the provisions of this portion of the Agreement, MTD may, without in any way compromising or waiving any right or remedy at law or in equity, on notice to Contractor, purchase such insurance, at Contractor's expense, provided that MTD shall have no obligation to do so and if MTD shall do so, Contractor shall not be relieved of or excused from the obligation to obtain and maintain such insurance amounts and coverages.

b. Conditions Affecting All Insurance Required Herein.

i. Cost of Insurance. All insurance coverage shall be provided at Contractor's sole expense.

ii. Maintenance of Insurance. All insurance coverage shall be maintained in effect with limits not less than those set forth below at all times during the term of this Agreement.

iii. Status and Rating of Insurance Company. All insurance coverage shall be written through insurance companies admitted to do business in California and with a Best's Financial Strength Rating of A- or better, as shown in the on-line version of Best's Rating & Criteria Center.

iv. Restrictive, Limiting, or Exclusionary Endorsements. All insurance coverage shall be provided to Contractor Parties in compliance with the requirements herein and shall contain no endorsements that restrict, limit, or exclude coverage in any manner without the prior express written approval of MTD.

v. Limits of Liability. The limits of liability may be provided by a single policy of insurance or by a combination of primary and umbrella policies, but in no event shall the total limits of liability available for any one occurrence or accident be less than the amount required herein.

vi. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage. In the event of cancellation, nonrenewal, or material reduction in coverage affecting the certificate holder, thirty (30) days prior written notice shall be given to the certificate holder by certified mail, return receipt requested, except in the event of cancellation for nonpayment, in which event fifteen (15) days prior written notice shall be given. If insurer will not include in its coverage such written notifications, it shall be incumbent upon Contractor to comply with such written notification requirements.

vii. Additional Insured Status. Additional insured status shall be provided in favor of MTD and its officers, employees and agents, including consultants, on all liability insurance required herein except workers' compensation/employer's liability and the certificate of insurance shall reflect same. Such additional insured coverage shall be primary to and shall seek no contribution from all insurance available to MTD, with MTD's insurance being excess, secondary, and noncontributing.

viii. Waiver of Subrogation. All insurance coverage carried by Contractor required herein shall provide a waiver of subrogation in favor of MTD for all loss covered by such insurance, and Contractor waives all rights of action against MTD for such loss.

ix. Primary Liability. All insurance coverage required herein shall be primary to and shall seek no contribution from all insurance available to MTD, with MTD's insurance being excess, secondary, and noncontributing. Where necessary, coverage shall be endorsed to provide such primary liability, and the certificate of insurance shall reflect same.

x. Deductible/Retention. All insurance required for this project shall have a maximum deductible or self-insured retention of \$10,000 per policy.

xi. Claims Against Aggregate. MTD must be notified in writing by Contractor at MTD's address set forth herein immediately upon knowledge of possible claims against Contractor that might cause a reduction below seventy-five (75%) of any aggregate limit of any primary policy.

c. Commercial General Liability Insurance.

- i. Coverage. Such insurance shall cover liability arising out of all locations and operations of Contractor, including but not limited to liability assumed under this Agreement (including the tort liability of another assumed in a business contract). Defense shall be provided as an additional benefit and not included within the limit of liability.
- ii. Form. Commercial General Liability Occurrence form, at least as broad as an unmodified ISO CG 00 01 10 93 or its equivalent.
- iii. Amount of Insurance. Coverage shall be provided with limits of not less than:
- |                                                 |             |
|-------------------------------------------------|-------------|
| A. Each Occurrence Limit                        | \$1,000,000 |
| B. General Aggregate Limit                      | \$2,000,000 |
| C. Product-Completed Operations Aggregate Limit | \$2,000,000 |
| D. Personal and Advertising Injury Limits       | \$1,000,000 |
| E. Fire Damage (any one fire)                   | \$50,000    |
| F. Medical Expense (any one person)             | \$5,000     |
- iv. Required Endorsements.
- A. Additional Insured status as required in 18(b)(vii), above.
- B. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
- C. Personal Injury Liability: The personal injury contractual liability exclusion shall be deleted.
- D. Primary Liability, as required in 18(b)(ix), above.
- E. Waiver of Subrogation, as required in 18(b)(viii), above.
- F. Continuing Commercial General Liability Insurance: Contractor shall maintain such insurance in identical coverage, form, and amount, including required endorsements, for at least three (3) years following the date of acceptance by MTD of the last bus built pursuant to this Agreement.
- d. Auto Liability Insurance.
- i. Coverage. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned).
- ii. Form. Business Auto Form (at least as broad as an unmodified ISO CA 0001 or its equivalent).
- iii. Amount of Insurance. Coverage shall be provided with a limit of not less than \$1,000,000, combined single limit.
- iv. Required Endorsements.
- A. Additional Insured status as required in 18(b)(vii), above.
- B. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
- C. Waiver of Subrogation, as required in 18(b)(viii), above.
- e. Workers' Compensation/Employer's Liability Insurance.
- i. Coverage. Such insurance shall cover liability arising out of Contractor's employment of workers and anyone for whom Contractor may be liable for workers' compensation claims. Workers' compensation insurance is required, and no "alternative" forms of insurance shall be permitted.
- ii. Amount of Insurance. Coverage shall be provided with a limit of not less than:
- |                           |                                        |
|---------------------------|----------------------------------------|
| A. Workers' Compensation: | Statutory limits                       |
| B. Employer's Liability:  | \$1,000,000 each accident and disease. |
- iii. Required Endorsements.
- A. Notice of Cancellation, Nonrenewal, or Material Reduction in Coverage, as required in 18(b)(vi), above.
- B. Waiver of Subrogation, as required in 18(b)(viii), above.

f. Other Insurance. MTD shall have the right, exercisable in its sole judgment at any time by giving prior written notice thereof to Contractor, to require Contractor to increase the limit and coverage amount of any insurance Contractor is required to maintain pursuant to this Agreement to an amount that MTD may, in its sole judgment, deem reasonably sufficient; and purchase other insurance and/or endorsement in such amounts or types as MTD may reasonably require from time to time.

19. Bonding. Not applicable to this agreement.

20. Termination. *Termination for Convenience*. MTD may terminate this Agreement, in whole or in part, upon ten (10) calendar days written notice to the Contractor when it is in MTD's best interest, at MTD's sole discretion. Upon the effective date of the written notice of termination, the Contractor shall cease performance of the Project or the applicable portion thereof to the extent specified in the notice. MTD shall pay the Contractor allowable costs and applicable profit thereon incurred to the specified date of termination, plus any costs deemed reasonably necessary to effectuate such termination. The Contractor shall promptly submit to MTD its termination claim for such costs. *Termination for Default*. If the Contractor shall breach any covenant, term or condition of this Agreement, including failure to make progress as to endanger performance of this contract in accordance with its terms, MTD may, by written notice, notify the Contractor setting forth the manner in which the Contractor is in default. MTD's right to terminate this Agreement, in whole or in part, for default may be exercised if the Contractor does not cure the condition(s) constituting the breach within ten (10) calendar days after receipt of such written notice. In such case, the Contractor shall cease performance of the Project or the applicable portion thereof to the extent specified in the notice, and MTD shall pay the Contractor allowable costs and applicable profit thereon incurred to the specified date of termination. The Contractor shall promptly submit to MTD its termination claim for such costs. If it is later determined by MTD that the Contractor did not breach the Agreement and had an excusable reason for not performing, MTD may at its sole discretion set up a revised delivery or performance schedule for the Agreement or applicable portion thereof and allow the Contractor to continue work, or treat the termination as a termination for convenience. *Excess Costs*. MTD may acquire, under terms and in the manner MTD considers appropriate, equivalent Project services and, if the Agreement or an applicable portion thereof was terminated for default, the Contractor shall be liable to MTD for any excess costs for such Project services. *Waiver of Remedies for any Breach*. In the event that MTD elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Agreement, such waiver by MTD shall not limit MTD's remedies for any succeeding breach of that or of any other term, covenant, or condition of this Agreement. *MTD Property*. If, at termination, the Contractor has in its possession any property, whether completed or in progress, associated with the Project belonging to MTD, the Contractor shall return such property to MTD or otherwise dispense with in the manner MTD directs.

21. Liquidated Damages. Not applicable to this agreement.

22. Infringement of Patents. Not applicable to this agreement.

23. Rights in Data. *Definitions*. The term "subject data" used in this clause means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Agreement. Subject data includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents; machine forms such as punched cards, magnetic tape, or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to: computer software (including, but not limited to, source codes), engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications, and related information. The term "subject data" does not include financial reports, cost analyses, and similar information incidental to contract administration. *MTD Rights*. MTD reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, for MTD purposes, any subject data or copyright. As used in the previous sentence, "for MTD purposes," means use only for the direct purposes of MTD. Without the copyright owner's consent, MTD may not extend its license to any other party. *Public Information*. When MTD awards a contract for experimental, developmental, or research work, it is MTD's general intention to increase transportation knowledge available to the public, rather than to restrict the benefits resulting from the work to participants in that work. Therefore, unless MTD determines otherwise, MTD and the Contractor performing experimental, developmental, or research work required by the contract agrees to permit MTD to make available to the public, either MTD's license in the copyright to any subject data developed in the course of that contract, or a copy of the subject data first produced under the contract for which a copyright has not been obtained. If the experimental, developmental, or research work, which



is the subject of the underlying contract, is not completed for any reason whatsoever, all data developed under that contract shall become subject data and shall be delivered as MTD may direct.

24. Indemnification. The Contractor shall, to the extent permitted by law protect, indemnify, defend, and hold MTD and its officers, employees and agents, including consultants, harmless from and against any and all liabilities, damages, claims, demands, liens, encumbrances, judgments, awards, losses, costs, expenses, and suits or actions or proceedings, including reasonable expenses, costs and attorneys' fees incurred by MTD and its officers, employees and agents, including consultants, in the defense, settlement or satisfaction thereof, for any injury, death, loss or damage to persons or property of any kind whatsoever, arising out of, or resulting from, the acts, errors or omissions of the Contractor, including acts, errors or omissions of its officers, employees, servants, agents, subcontractors and suppliers; and upon receipt of notice and if given authority, shall settle at its own expense or undertake at its own expense the defense of any such suit, action or proceeding, including appeals, against the MTD and its officers, employees and agents, including consultants, relating to such injury, death, loss or damage. Each party shall promptly notify the other in writing of the notice or assertion of any claim, demand, lien, encumbrance, judgment, award, suit, action or other proceeding hereunder. The Contractor shall have sole charge and direction of the defense of such suit, action or proceeding. The MTD shall not make any admission which might be materially prejudicial to the Contractor unless the Contractor has failed to take over the conduct of any negotiations or defense within a reasonable time after receipt of the notice and authority above provided. The MTD shall at the request of the Contractor furnish to the Contractor all reasonable assistance that may be necessary for the purpose of defending such suit, action or proceeding, and shall be repaid all reasonable costs incurred in doing so. The MTD shall have the right to be represented therein by advisory counsel of its own selection at its own expense. The obligations of the Contractor under this clause shall not extend to circumstances where the injury, or death, or damages is caused solely by the negligent acts, errors or omissions of the MTD, its officers, employees, agents or consultants, including negligence in the preparation of the Contract documents, or the giving of directions or instructions with respect to the requirements of the Contract by written order.

25. Notice. Notices in connection with this Agreement shall be made in writing and may be delivered either personally, by governmental postal service (regular, certified or registered), by private delivery service, or by email. Receipt shall be deemed to have occurred when actually made to the party or its designated agent. Such notices shall be properly addressed to the intended party as follows:

MTD:

Jerry Estrada, General Manager  
 Santa Barbara Metropolitan Transit District  
 550 Olive Street  
 Santa Barbara, CA 93101  
 Email: [jestrada@sbmtd.gov](mailto:jestrada@sbmtd.gov)

CONTRACTOR:

[insert authorized official name & title]  
 [insert contractor name]  
 [insert contractor street address]  
 [insert contractor city, state & zip]  
 [insert contractor email]

26. Attorney Fees and Costs. In the event of a controversy (including, but not limited to arbitration or an criminal or civil filing in a Federal Court or a court of any of the United States) between the parties with respect to the enforcement or interpretation of this Agreement, the prevailing party in such controversy shall be entitled to receive, in addition to such other award as the court may deem appropriate, full reimbursement for its court costs and reasonable attorney fees incurred therein.

27. Negation of Partnership. This Agreement creates a relationship between two independent contractors and does not, nor may it be interpreted to, create the relationship of joint venturers, partners, employee/employer, or any other business relationship.

28. No Assignment. This Agreement is not assignable by either party, and any attempt by either party to assign its obligations hereunder shall be void ab initio at the election of the other party, which election may be made by written notice within ten (10) days of the non-assigning party's receipt of actual knowledge of such attempted assignment. Notwithstanding the foregoing, however, at the election of the other party, the obligations and burdens of a party shall bind and apply to any permitted successor in interest or assignee of the business and/or operations of a party.

29. Partial Invalidity. In the event that any portion of this Agreement or any provision hereof shall be deemed as invalid as contrary to applicable law, the balance of this Agreement shall be enforced according to its term, and that

portion found unenforceable shall be interpreted and enforced to the extent that it may be within said applicable laws.

30. Disputes. This Agreement shall be construed and all disputes arising therefrom shall be settled in accordance with the laws of the State of California. Venue for any dispute arising under this Agreement shall be in Santa Barbara, California. Any controversy or claim arising out of or relating to this Agreement shall be resolved by binding arbitration before a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) then pertaining (available at [www.adr.org](http://www.adr.org)), except where those rules conflict with this provision, in which case this provision controls. Any court with jurisdiction shall enforce this clause and enter judgment on any award. The arbitrator shall be selected within twenty business days from commencement of the arbitration from the AAA’s National Roster of Arbitrators pursuant to agreement or through selection procedures administered by the AAA. Within 45 days of initiation of arbitration, the Parties shall reach agreement upon and thereafter follow procedures, including reasonable limits on discovery, assuring that the arbitration will be concluded and the award rendered within no more than eight months from selection of the arbitrator or, failing agreement, procedures meeting such time limits will be designed by the AAA and adhered to by the Parties. The arbitration shall be held in Santa Barbara, California and the arbitrator shall apply the substantive law of California, except that the interpretation and enforcement of this arbitration provision shall be governed by the Federal Arbitration Act. Prior to commencement of arbitration, emergency relief is available from any court to avoid irreparable harm. THE ARBITRATOR SHALL NOT AWARD EITHER PARTY PUNITIVE, EXEMPLARY, MULTIPLIED OR CONSEQUENTIAL DAMAGES. Prior to commencement of arbitration, however, the Parties must attempt to mediate their dispute using a professional mediator from AAA, the CPR Institute for Dispute Resolution, or like organization selected by agreement or, absent agreement, through selection procedures administered by the AAA. Within a period of 45 days after the request for mediation, the Parties agree to convene with the mediator, with business representatives present, for at least one session to attempt to resolve the matter. In no event will mediation delay commencement of the arbitration for more than 45 days absent agreement of the Parties or interfere with the availability of emergency relief.

31. Prohibited Interest. The parties hereto covenant and agree that to their knowledge no board member, officer, or employee of MTD, during his/her tenure or for one year thereafter, has any interest, whether contractual, non contractual, financial or otherwise, in this transaction, or in the business of a contracting party other than MTD. If any such interest comes to the knowledge of either party at any time, a full and complete disclosure of all such information will be made in writing to the other parties, even if such interest would not be considered a conflict of interest under Article 4, Chapter 1, Divisions 4 and 4.5, Title I of the Government Code of the State of California.

32. Compliance with Laws and Regulations. Contractor shall warrant that in the performance of work under contract to MTD that they shall comply with all applicable federal, state and local laws and ordinances, and all lawful orders, rules, and regulations thereunder.

33. Audit and Inspection of Records. The Contractor shall agree that all materials supplied and services performed under the Project, facilities used in connection therewith, and records and documentation thereunto appertaining shall be subject to inspection, test, or audit by duly authorized representatives of MTD and the State of California. The Contractor agrees to maintain all required records relating to the Project for at least three years after MTD makes final payment and all other pending matters are closed.

34. Equal Employment Opportunity. The Contractor shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, or national origin. The Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation, and; selection for training, including apprenticeship. The Contractor shall agree to post in conspicuous places available to employees and applicants for employment notices setting forth the provisions of the above paragraph. The Contractor shall insert a similar article to the above in all subcontracts entered into in connection with the contract governing this project, except subcontracts for standard commercial supplies or raw materials.

35. Entire Agreement. This Agreement and its attached exhibits constitute the entire agreement between the parties and shall be deemed to supersede and cancel any and all previous representations, understandings, or agreements

between MTD and Contractor as to the subject matter hereof. This Agreement may only be amended by an instrument in writing signed by the parties.

36. No Waiver. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect that party's right to enforce such provisions, nor shall the waiver by either party of any breach of any provision of this Agreement be taken or held to be a waiver of any further breach of the same provision.

37. Counterparts & Email. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement. The parties agree that a scanned and emailed signature may substitute for and have the same legal effect as the original signature.

38. Qualifications. Contractor or Contractor's representative (Contractor) certifies that Contractor is qualified to do business and is in good standing in the State of California, and that Contractor has authority to enter into and perform its obligations under this Agreement, which constitutes a valid and binding obligation of Contractor.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed.

SANTA BARBARA MTD

[CONTRACTOR]

\_\_\_\_\_  
[NAME], General Manager

\_\_\_\_\_  
[insert authorized official name & title]

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

DO NOT FILL IN OR SIGN



# **Bus Stop Sign Blade and Decal Fabrication & Installation**

## **State of California Provisions for Public Works Projects**

December 5, 2024

**Santa Barbara Metropolitan Transit District  
550 Olive Street • Santa Barbara, CA 93101**

**Phone: (805) 963-3364 • Fax: (805) 963-3365 • Website: [www.sbmtd.gov](http://www.sbmtd.gov)**



# ***State of California Provisions For Public Works Projects***

***Last Updated December 5, 2024***

The terms and conditions of the [California Public Contract Code](#) and the [California Labor Code](#) are incorporated into the agreement between the Santa Barbara Metropolitan Transit District (MTD) and the Contractor. The information here is provided for reference. In the provisions that follow, “public agency,” “awarding authority,” or similar terms other than “city,” “county,” or “state” shall be the equivalent of using the term “MTD;” and “prime contractor” or similar terms other than “subcontractor” shall be the equivalent to using “Contractor.”

## ***Public Contract Code Provisions – Subcontracting & Contract Clauses***

[§4103 \(Rights Limitations\)](#). Nothing in this chapter limits or diminishes any rights or remedies, either legal or equitable, which:

- (a) An original or substituted subcontractor may have against the prime contractor, his or her successors or assigns.
- (b) The state or any county, city, body politic, or public agency may have against the prime contractor, his or her successors or assigns, including the right to take over and complete the contract. *(Added by Stats. 1986, Ch. 195, Sec. 42.1.)*

[§4104 \(Subcontractor Listing\)](#). Any officer, department, board, or commission taking bids for the construction of any public work or improvement shall provide in the specifications prepared for the work or improvement or in the general conditions under which bids will be received for the doing of the work incident to the public work or improvement that any person making a bid or offer to perform the work, shall, in his or her bid or offer, set forth:

(a) (1) The name, the location of the place of business, the California contractor license number, and public works contractor registration number issued pursuant to Section 1725.5 of the Labor Code of each subcontractor who will perform work or labor or render service to the prime contractor in or about the construction of the work or improvement, or a subcontractor licensed by the State of California who, under subcontract to the prime contractor, specially fabricates and installs a portion of the work or improvement according to detailed drawings contained in the plans and specifications, in an amount in excess of one-half of 1 percent of the prime contractor’s total bid or, in the case of bids or offers for the construction of streets or highways, including bridges, in excess of one-half of 1 percent of the prime contractor’s total bid or ten thousand dollars (\$10,000), whichever is greater.

(2) An inadvertent error in listing the California contractor license number or public works contractor registration number provided pursuant to paragraph (1) shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive if the corrected contractor’s license number is submitted to the public entity by the prime contractor within 24 hours after the bid opening and provided the corrected contractor’s license number corresponds to the submitted name and location for that subcontractor.

(3) (A) Subject to subparagraph (B), any information requested by the officer, department, board, or commission concerning any subcontractor who the prime contractor is required to list under this subdivision, other than the subcontractor’s name, location of business, the California contractor license number, and the public works contractor registration number, may be submitted by the prime contractor up to 24 hours after the deadline established by the officer, department, board, or commission for receipt of bids by prime contractors.

(B) A state or local agency may implement subparagraph (A) at its option.

(b) The portion of the work that will be done by each subcontractor under this act. The prime contractor shall list only one subcontractor for each portion as is defined by the prime contractor in his or her bid. *(Amended by Stats. 2017, Ch. 28, Sec. 90. (SB 96) Effective June 27, 2017.)*

[§4104.5 \(Receipt of Bids\)](#). (a) The officer, department, board, or commission taking bids for construction of any public work or improvement shall specify in the bid invitation and public notice the place the bids of the prime, contractors are to be received and the time by which they shall be received. The date and time shall be extended by no less than 72 hours if the officer, department, board, or commission issues any material changes, additions, or deletions to the invitation later than 72 hours prior to the bid closing. Any bids received after the time specified in the notice or any extension due to material changes shall be returned unopened.

(b) As used in this section, the term “material change” means a change with a substantial cost impact on the total bid as determined by the awarding agency.

(c) As used in this section, the term “bid invitation” shall include any documents issued to prime contractors that contain descriptions of the work to be bid or the content, form, or manner of submission of bids by bidders. *(Amended by Stats. 2002, Ch. 204, Sec. 1. Effective January 1, 2003.)*

[§4105 \(Subcontractor Listing Circumvention\)](#). Circumvention by a general contractor who bids as a prime contractor of the requirement under Section 4104 for him or her to list his or her subcontractors, by the device of listing another contractor who will in turn sublet portions constituting the majority of the work covered by the prime contract, shall be considered a violation of this chapter and shall subject that prime contractor to the penalties set forth in Sections 4110 and 4111. *(Added by Stats. 1986, Ch. 195, Sec. 42.1.)*

[§4106 \(Contractor Work Qualification\)](#). If a prime contractor fails to specify a subcontractor or if a prime contractor specifies more than one subcontractor for the same portion of work to be performed under the contract in excess of one-half of 1 percent of the prime contractor’s total bid, the prime contractor agrees that he or she is fully qualified to perform that portion himself or herself, and that the prime contractor shall perform that portion himself or herself. If after award of contract, the prime contractor subcontracts, except as provided for in Sections 4107 or 4109, any such portion of the work, the prime contractor shall be subject to the penalties named in Section 4111. *(Added by Stats. 1986, Ch. 195, Sec. 42.1.)*

[§4107 \(Subcontractor Substitution\)](#). A prime contractor whose bid is accepted may not:

(a) Substitute a person as subcontractor in place of the subcontractor listed in the original bid, except that the awarding authority, or its duly authorized officer, may, except as otherwise provided in Section 4107.5, consent to the substitution of another person as a subcontractor in any of the following situations:

(1) When the subcontractor listed in the bid, after having had a reasonable opportunity to do so, fails or refuses to execute a written contract for the scope of work specified in the subcontractor’s bid and at the price specified in the subcontractor’s bid, when that written contract, based upon the general terms, conditions, plans, and specifications for the project involved or the terms of that subcontractor’s written bid, is presented to the subcontractor by the prime contractor.

(2) When the listed subcontractor becomes insolvent or the subject of an order for relief in bankruptcy.

(3) When the listed subcontractor fails or refuses to perform his or her subcontract.

(4) When the listed subcontractor fails or refuses to meet the bond requirements of the prime contractor as set forth in Section 4108.

(5) When the prime contractor demonstrates to the awarding authority, or its duly authorized officer, subject to the further provisions set forth in Section 4107.5, that the name of the subcontractor was listed as the result of an inadvertent clerical error.

(6) When the listed subcontractor is not licensed pursuant to the Contractors License Law.

(7) When the awarding authority, or its duly authorized officer, determines that the work performed by the listed subcontractor is substantially unsatisfactory and not in substantial accordance with the plans and specifications, or that the subcontractor is substantially delaying or disrupting the progress of the work.

(8) When the listed subcontractor is ineligible to work on a public works project pursuant to Section 1777.1 or 1777.7 of the Labor Code.

(9) When the awarding authority determines that a listed subcontractor is not a responsible contractor.

Prior to approval of the prime contractor’s request for the substitution, the awarding authority, or its duly authorized officer, shall give notice in writing to the listed subcontractor of the prime contractor’s request to substitute and of the reasons for the request. The notice shall be served by certified or registered mail to the last known address of the subcontractor. The listed subcontractor who has been so notified has five working days within which to submit written objections to the substitution to the awarding authority. Failure to file these written objections constitutes the listed subcontractor’s consent to the substitution.

If written objections are filed, the awarding authority shall give notice in writing of at least five working days to the listed subcontractor of a hearing by the awarding authority on the prime contractor’s request for substitution.

(b) Permit a subcontract to be voluntarily assigned or transferred or allow it to be performed by anyone other than the original subcontractor listed in the original bid, without the consent of the awarding authority, or its duly authorized officer.

(c) Other than in the performance of “change orders” causing changes or deviations from the original contract, sublet or subcontract any portion of the work in excess of one-half of 1 percent of the prime contractor’s total bid as to which his or her original bid did not designate a subcontractor. *(Amended by Stats. 2009, Ch. 500, Sec. 58. (AB 1059) Effective January 1, 2010.)*

[§4107.2 \(Carpet Subcontractor\)](#). No subcontractor listed by a prime contractor under Section 4104 as furnishing and installing carpeting, shall voluntarily sublet his or her subcontract with respect to any portion of the labor to be performed unless he or she specified the subcontractor in his or her bid for that subcontract to the prime contractor. *(Added by Stats. 1986, Ch. 195, Sec. 42.1.)*

[§4107.5 \(Subcontractor Listing Error\)](#). The prime contractor as a condition to assert a claim of inadvertent clerical error in the listing of a subcontractor shall within two working days after the time of the prime bid opening by the awarding authority give written notice to the awarding authority and copies of that notice to both the subcontractor he or she claims to have listed in error and the intended subcontractor who had bid to the prime contractor prior to bid opening.

Any listed subcontractor who has been notified by the prime contractor in accordance with this section as to an inadvertent clerical error shall be allowed six working days from the time of the prime bid opening within which to submit to the awarding authority and to the prime contractor written objection to the prime contractor’s claim of inadvertent clerical error. Failure of the listed subcontractor to file the written notice within the six working days shall be primary evidence of his or her agreement that an inadvertent clerical error was made.

The awarding authority shall, after a public hearing as provided in Section 4107 and in the absence of compelling reasons to the contrary, consent to the substitution of the intended subcontractor:

(a) If (1) the prime contractor, (2) the subcontractor listed in error, and (3) the intended subcontractor each submit an affidavit to the awarding authority along with such additional evidence as the parties may wish to submit that an inadvertent clerical error was in fact made, provided that the affidavits from each of the three parties are filed within eight working days from the time of the prime bid opening, or

(b) If the affidavits are filed by both the prime contractor and the intended subcontractor within the specified time but the subcontractor whom the prime contractor claims to have listed in error does not submit within six working days, to the awarding authority and to the prime contractor, written objection to the prime contractor’s claim of inadvertent clerical error as provided in this section.

If the affidavits are filed by both the prime contractor and the intended subcontractor but the listed subcontractor has, within six working days from the time of the prime bid opening, submitted to the awarding authority and to the prime contractor written objection to the prime contractor’s claim of inadvertent clerical error, the awarding authority shall investigate the claims of the parties and shall hold a public hearing as provided in Section 4107 to determine the validity of those claims. Any determination made shall be based on the facts contained in the declarations submitted under penalty of perjury by all three parties and supported by testimony under oath and subject to cross-examination. The awarding authority may, on its own motion or that of any other party, admit testimony of other contractors, any bid registries or depositories, or any other party in possession of facts which may have a bearing on the decision of the awarding authority. *(Added by Stats. 1986, Ch. 195, Sec. 42.1.)*

[§4107.7 \(Hazmat Subcontractors\)](#). If a contractor who enters into a contract with a public entity for investigation, removal or remedial action, or disposal relative to the release or presence of a hazardous material or hazardous waste fails to pay a subcontractor registered as a hazardous waste hauler pursuant to Section 25163 of the Health and Safety Code within 10 days after the investigation, removal or remedial action, or disposal is completed, the subcontractor may serve a stop notice upon the public entity in accordance with Chapter 4 (commencing with Section 9350) of Title 3 of Part 6 of Division 4 of the Civil Code. *(Amended by Stats. 2010, Ch. 697, Sec. 43. (SB 189) Effective January 1, 2011. Operative July 1, 2012, by Sec. 105 of Ch. 697.)*

[§4108 \(Subcontractor Bonding\)](#). (a) It shall be the responsibility of each subcontractor submitting bids to a prime contractor to be prepared to submit a faithful performance and payment bond or bonds if so requested by the prime contractor.

(b) In the event any subcontractor submitting a bid to a prime contractor does not, upon the request of the prime contractor and at the expense of the prime contractor at the established charge or premium therefor, furnish to the prime contractor a bond or bonds issued by an admitted surety wherein the prime contractor shall be named the obligee, guaranteeing prompt and faithful performance of the subcontract and the payment of all claims for labor and materials furnished or used in and about the work to be done and performed under the subcontract, the prime contractor may reject the bid and make a substitution of another subcontractor subject to Section 4107.

(c) (1) The bond or bonds may be required under this section only if the prime contractor in his or her written or published request for subbids clearly specifies the amount and requirements of the bond or bonds.

(2) If the expense of the bond or bonds required under this section is to be borne by the subcontractor, that requirement shall also be specified in the prime contractor's written or published request for subbids.

(3) The prime contractor's failure to specify bond requirements, in accordance with this subdivision, in the written or published request for subbids shall preclude the prime contractor from imposing bond requirements under this section. *(Amended by Stats. 1991, Ch. 754, Sec. 1.)*

[§4109 \(Emergency Subcontracting\)](#). Subletting or subcontracting of any portion of the work in excess of one-half of 1 percent of the prime contractor's total bid as to which no subcontractor was designated in the original bid shall only be permitted in cases of public emergency or necessity, and then only after a finding reduced to writing as a public record of the awarding authority setting forth the facts constituting the emergency or necessity. *(Added by Stats. 1986, Ch. 195, Sec. 42.1.)*

[§4110 \(Contractor Violations\)](#). A prime contractor violating any of the provisions of this chapter violates his or her contract and the awarding authority may exercise the option, in its own discretion, of (1) canceling his or her contract or (2) assessing the prime contractor a penalty in an amount of not more than 10 percent of the amount of the subcontract involved, and this penalty shall be deposited in the fund out of which the prime contract is awarded. In any proceedings under this section the prime contractor shall be entitled to a public hearing and to five days' notice of the time and place thereof. *(Added by Stats. 1986, Ch. 195, Sec. 42.1.)*

[§4111 \(CSLB Discipline\)](#). Violation of this chapter by a licensee under Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code constitutes grounds for disciplinary action by the Contractors State License Board, in addition to the penalties prescribed in Section 4110. *(Added by Stats. 1986, Ch. 195, Sec. 42.1.)*

[§4112 \(Contractor Defense\)](#). The failure on the part of a contractor to comply with any provision of this chapter does not constitute a defense to the contractor in any action brought against the contractor by a subcontractor. *(Added by Stats. 1986, Ch. 195, Sec. 42.1.)*

[§4113 \(Definitions\)](#). As used in this chapter, the word "subcontractor" shall mean a contractor, within the meaning of the provisions of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, who contracts directly with the prime contractor.

"Prime contractor" shall mean the contractor who contracts directly with the awarding authority. *(Added by Stats. 1986, Ch. 195, Sec. 42.1.)*

[§7100 \(Acceptance\)](#). Provisions in public works contracts with public entities which provide that acceptance of a payment otherwise due a contractor is a waiver of all claims against the public entity arising out of the work performed under the contract or which condition the right to payment upon submission of a release by the contractor of all claims against the public entity arising out of performance of the public work are against public policy and null and void. This section shall not prohibit a public entity from placing in a public works contract and enforcing a contract provision which provides that payment of undisputed contract amounts is contingent upon the contractor furnishing the public entity with a release of all claims against the public entity arising by virtue of the public works

contract related to those amounts. Disputed contract claims in stated amounts may be specifically excluded by the contractor from the operation of the release. *(Added by Stats. 1982, Ch. 1120, Sec. 4.)*

[§7101 \(Extra Compensation for Reduction of Plans\)](#). The state or any other public entity in any public works contract awarded to the lowest bidder, may provide for the payment of extra compensation to the contractor for the cost reduction changes in the plans and specifications for the project made pursuant to a proposal submitted by the contractor. The extra compensation to the contractor shall be 50 percent of the net savings in construction costs as determined by the public entity. For projects under the supervision of the Department of Transportation or local or regional transportation entities, the extra compensation to the contractor shall be 60 percent of the net savings, if the cost reduction changes significantly reduce or avoid traffic congestion during construction of the project, in the opinion of the public entity. The contractor may not be required to perform the changes contained in an eligible change proposal submitted in compliance with the provisions of the contract unless the proposal was accepted by the public entity. *(Amended by Stats. 2001, Ch. 166, Sec. 1. Effective January 1, 2002.)*

[§7102 \(Unreasonable Delay\)](#). Contract provisions in construction contracts of public agencies and subcontracts thereunder which limit the contractee's liability to an extension of time for delay for which the contractee is responsible and which delay is unreasonable under the circumstances involved, and not within the contemplation of the parties, shall not be construed to preclude the recovery of damages by the contractor or subcontractor. No public agency may require the waiver, alteration, or limitation of the applicability of this section. Any such waiver, alteration, or limitation is void. This section shall not be construed to void any provision in a construction contract which requires notice of delays, provides for arbitration or other procedure for settlement, or provides for liquidated damages. *(Amended by Stats. 1987, Ch. 98, Sec. 1.)*

[§7103.5 \(Clayton & Cartwright Acts\)](#). (a) As used in this section:

(1) "Public works contract" means a contract awarded through competitive bids by the state or any of its political subdivisions or public agencies, on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code, for the erection, construction, alteration, repair, or improvement of any structure, building, road, or other improvement of any kind.

(2) "Awarding body" means the state or the subdivision or agency awarding a public works contract.

(b) In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the contractor, without further acknowledgment by the parties.

(c) Subdivision (b) shall be included in full in the specifications for the public works contract or in the general provisions incorporated therein and shall be included in full in the public works contract or in the general provisions incorporated therein. *(Added by renumbering Section 7103 (as added by Stats. 1990, Ch. 694) by Stats. 1991, Ch. 1091, Sec. 121.)*

[§7104 \(Digging\)](#). Any public works contract of a local public entity which involves digging trenches or other excavations that extend deeper than four feet below the surface shall contain a clause which provides the following:

(a) That the contractor shall promptly, and before the following conditions are disturbed, notify the local public entity, in writing, of any:

(1) Material that the contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.

(2) Subsurface or latent physical conditions at the site differing from those indicated by information about the site made available to bidders prior to the deadline for submitting bids.



(3) Unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the contract.

(b) That the local public entity shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the contractor's cost of, or the time required for, performance of any part of the work shall issue a change order under the procedures described in the contract.

(c) That, in the event that a dispute arises between the local public entity and the contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the contractor's cost of, or time required for, performance of any part of the work, the contractor shall not be excused from any scheduled completion date provided for by the contract, but shall proceed with all work to be performed under the contract. The contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties. *(Amended by Stats. 2006, Ch. 183, Sec. 1. Effective January 1, 2007.)*

[§7105 \(Acts of God\)](#). (a) Construction contracts of public agencies shall not require the contractor to be responsible for the cost of repairing or restoring damage to the work, which damage is determined to have been proximately caused by an act of God, in excess of 5 percent of the contracted amount, provided, that the work damaged is built in accordance with accepted and applicable building standards and the plans and specifications of the awarding authority. However, contracts may include provisions for terminating the contract. The requirements of this section shall not be mandatory as to construction contracts financed by revenue bonds. This section shall not prohibit a public agency from requiring that a contractor obtain insurance to indemnify the public agency for any damage to the work caused by an act of God if the insurance premium is a separate bid item. If insurance is required, requests for bids issued by public agencies shall set forth the amount of the work to be covered and the contract resulting from the requests for bids shall require that the contractor furnish evidence of satisfactory insurance coverage to the public agency prior to execution of the contract.

(b) For the purposes of this section:

(1) "Public agency" shall include the state, the Regents of the University of California, a city, county, district, public authority, public agency, municipal utility, and any other political subdivision or public corporation of the state.

(2) "Acts of God" shall include only the following occurrences or conditions and effects: earthquakes in excess of a magnitude of 3.5 on the Richter Scale and tidal waves.

(c) Public agencies may make changes in construction contracts for public improvements in the course of construction to bring the completed improvements into compliance with environmental requirements or standards established by state and federal statutes and regulations enacted after the contract has been awarded or entered into. The contractor shall be paid for the changes in accordance with the provisions of the contract governing payment for changes in the work or, if no provisions are set forth in the contract, payment shall be as agreed to by the parties.

(d) (1) Where authority to contract is vested in any public agency, excluding the state, the authority shall include the power, by mutual consent of the contracting parties, to terminate, amend, or modify any contract within the scope of such authority.

(2) Paragraph (1) shall not apply to contracts entered into pursuant to any statute expressly requiring that contracts be let or awarded on the basis of competitive bids. Contracts of public agencies, excluding the state, required to be let or awarded on the basis of competitive bids pursuant to any statute may be terminated, amended, or modified only if the termination, amendment, or modification is so provided in the contract or is authorized under provision of law other than this subdivision. The compensation payable, if any, for amendments and modifications shall be determined as provided in the contract. The compensation payable, if any, in the event the contract is so terminated shall be determined as provided in the contract or applicable statutory provision providing for the termination.

(3) Contracts of public agencies may include provisions for termination for environmental considerations at the discretion of the public agencies. *(Added by renumbering Section 7104 (as added by Stats. 1990, Ch. 694) by Stats. 1991, Ch. 1091, Sec. 122.)*

[§7106 \(Non Collusion\)](#). Every bid on every public works contract of a public entity shall include a declaration under penalty of perjury under the laws of the State of California, in the following form: NONCOLLUSION DECLARATION TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID The undersigned declares: I am the \_\_\_\_ of \_\_\_\_, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_[date], at \_\_\_[city], \_\_\_[state].”

*(Amended by Stats. 2011, Ch. 432, Sec. 37. (SB 944) Effective January 1, 2012.)*

[§7107 \(Payment Retention\)](#). (a) This section is applicable with respect to all contracts entered into on or after January 1, 1993, relating to the construction of any public work of improvement.

(b) The retention proceeds withheld from any payment by the public entity from the original contractor, or by the original contractor from any subcontractor, shall be subject to this section.

(c) Within 60 days after the date of completion of the work of improvement, the retention withheld by the public entity shall be released. In the event of a dispute between the public entity and the original contractor, the public entity may withhold from the final payment an amount not to exceed 150 percent of the disputed amount. For purposes of this subdivision, “completion” means any of the following:

(1) The occupation, beneficial use, and enjoyment of a work of improvement, excluding any operation only for testing, startup, or commissioning, by the public agency, or its agent, accompanied by cessation of labor on the work of improvement.

(2) The acceptance by the public agency, or its agent, of the work of improvement.

(3) After the commencement of a work of improvement, a cessation of labor on the work of improvement for a continuous period of 100 days or more, due to factors beyond the control of the contractor.

(4) After the commencement of a work of improvement, a cessation of labor on the work of improvement for a continuous period of 30 days or more, if the public agency files for record a notice of cessation or a notice of completion.

(d) Subject to subdivision (e), within seven days from the time that all or any portion of the retention proceeds are received by the original contractor, the original contractor shall pay each of its subcontractors from whom retention has been withheld, each subcontractor’s share of the retention received. However, if a retention payment received by the original contractor is specifically designated for a particular subcontractor, payment of the retention shall be made to the designated subcontractor, if the payment is consistent with the terms of the subcontract.

(e) The original contractor may withhold from a subcontractor its portion of the retention proceeds if a bona fide dispute exists between the subcontractor and the original contractor. The amount withheld from the retention payment shall not exceed 150 percent of the estimated value of the disputed amount.

(f) In the event that retention payments are not made within the time periods required by this section, the public entity or original contractor withholding the unpaid amounts shall be subject to a charge of 2 percent per month on the improperly withheld amount, in lieu of any interest otherwise due. Additionally, in any action for the collection of funds wrongfully withheld, the prevailing party shall be entitled to attorney’s fees and costs.

(g) If a state agency retains an amount greater than 125 percent of the estimated value of the work yet to be completed pursuant to Section 10261, the state agency shall distribute undisputed retention proceeds in accordance with subdivision (c). However, notwithstanding subdivision (c), if a state agency retains an amount equal to or less than 125 percent of the estimated value of the work yet to be completed, the state agency shall have 90 days in which to release undisputed retentions.

(h) Any attempted waiver of the provisions of this section shall be void as against the public policy of this state. *(Amended by Stats. 1998, Ch. 857, Sec. 3. Effective January 1, 1999.)*

**§7109 (Graffiti)**. (a) For purposes of this section:

(1) “Antigraffiti technology” means landscaping, paint, or other covering resistant to graffiti, or other procedures to deter graffiti.

(2) “Graffiti” means any unauthorized inscription, work, figure, or design that is marked, etched, scratched, drawn, or painted on any structural component of any building, structure, or other facility regardless of its content or nature and regardless of the nature of the material of the structural component.

(3) “Project” means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

(b) If a public entity determines that a project may be vulnerable to graffiti and the public entity will be awarding a public works contract after January 1, 1996, for that project, it is the intent of the Legislature that the public entity may do one or more of the following:

(1) Include a provision in the public works contract that specifies requirements for antigraffiti technology in the plans and specifications for the project.

(2) Establish a method to finance a graffiti abatement program.

(3) Establish a program to deter graffiti. *(Added by Stats. 1994, Ch. 504, Sec. 1. Effective January 1, 1995.)*

**§7200 (Retention Maximum)**. (a) (1) This section shall apply with respect to all contracts entered into on or after January 1, 1999, between a public entity and an original contractor, between an original contractor and a subcontractor, and between all subcontractors thereunder, relating to the construction of any public work of improvement.

(b) In a contract between the original contractor and a subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds withheld may not exceed the percentage specified in the contract between the public entity and the original contractor.

(c) When a performance and payment bond is required in the solicitation for bids, subdivision (b) shall not apply to either of the following:

(1) The original contractor, if the subcontractor fails or refuses to provide a performance and payment bond, issued by an admitted surety insurer, to the original contractor.

(2) The subcontractor, if a subcontractor thereunder fails or refuses to provide a performance and payment bond, issued by an admitted surety insurer, to the subcontractor.

(d) No party identified in subdivision (b) shall require any other party to waive any provision of this section.

(e) In the event that the contractor elects to substitute securities in lieu of retentions, the contractor may withhold from his or her subcontractors, who have not elected to substitute securities in lieu of retentions, the amount of retentions that would have otherwise been withheld. *(Added by Stats. 1998, Ch. 857, Sec. 4. Effective January 1, 1999.)*

**§7201 (Retention 5% Maximum)**. (a) (1) This section shall apply with respect to all contracts entered into on or after January 1, 2012, between a public entity and an original contractor, between an original contractor and a subcontractor, and between all subcontractors thereunder, relating to the construction of any public work of improvement.

(2) Under no circumstances shall any provision of this section be construed to limit the ability of any public entity to withhold 150 percent of the value of any disputed amount of work from the final payment, as provided for in subdivision (c) of Section 7107. In the event of a good faith dispute, nothing in this section shall be construed to require a public entity to pay for work that is not approved or accepted in accordance with the proper plans or specifications.



(3) For purposes of this section, “public entity” means the state, including every state agency, office, department, division, bureau, board, or commission, the California State University, the University of California, a city, county, city and county, including charter cities and charter counties, district, special district, public authority, political subdivision, public corporation, or nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.

(b) (1) The retention proceeds withheld from any payment by a public entity from the original contractor, by the original contractor from any subcontractor, and by a subcontractor from any subcontractor thereunder shall not exceed 5 percent of the payment. In no event shall the total retention proceeds withheld exceed 5 percent of the contract price. In a contract between the original contractor and a subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds withheld shall not exceed the percentage specified in the contract between the public entity and the original contractor.

(2) This subdivision shall not apply if the contractor provides written notice to the subcontractor, pursuant to subdivision (c) of Section 4108, prior to, or at, the time that the bid is requested, that bonds shall be required, and the subcontractor subsequently is unable or refuses to furnish to the contractor a performance and payment bond issued by an admitted surety insurer.

(3) Notwithstanding any other provision of this subdivision, the retention proceeds withheld from any payment by an awarding entity set forth in paragraphs (1) to (5), inclusive, of subdivision (a) of Section 10106, from the original contractor, by the original contractor from any subcontractor, and by a subcontractor from any subcontractor thereunder, may exceed 5 percent on specific projects where the director of the department has made a finding prior to the bid that the project is substantially complex and therefore requires a higher retention amount than 5 percent and the department includes in the bid documents details explaining the basis for the finding and the actual retention amount. In a contract between the original contractor and a subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds withheld shall not exceed the percentage specified in the contract between the department and the original contractor.

(4) Notwithstanding any other provision of this subdivision, the retention proceeds withheld from any payment by the awarding entity of a city, county, city and county, including charter cities and charter counties, district, special district, public authority, political subdivision, public corporation, or nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency, from the original contractor, by the original contractor from any subcontractor, and by a subcontractor from any subcontractor thereunder, may exceed 5 percent on specific projects where the governing body of the public entity or designee, including, but not limited to, a general manager or other director of an appropriate department, has approved a finding, on a project by project basis, during a properly noticed and normally scheduled public hearing and prior to bid that the project is substantially complex and therefore requires a higher retention amount than 5 percent and the awarding entity includes in the bid documents details explaining the basis for the finding and the actual retention amount. In a contract between the original contractor and a subcontractor, and in a contract between a subcontractor and any subcontractor thereunder, the percentage of the retention proceeds withheld shall not exceed the percentage specified in the contract between the department and the original contractor.

(5) Any finding by a public entity that a project is substantially complex shall include a description of the specific project and why it is a unique project that is not regularly, customarily, or routinely performed by the agency or licensed contractors.

(c) A party identified in subdivision (a) shall not require any other party to waive any provision of this section. (*Amended by Stats. 2022, Ch. 121, Sec. 1. (AB 2173) Effective January 1, 2023.*)

[§7202 \(DOT\)](#). (a) The Department of Transportation is prohibited from withholding retention proceeds when making progress payments to a contractor for work performed on a transportation project.

(b) Nothing in this section shall alter, amend, or impair the rights, duties, and obligations of an original contractor, its subcontractors, and all subcontractors thereunder, relating to the construction of any public work of improvement as set forth in Section 7200.

(c) The Department of Transportation shall promptly notify the appropriate policy committees of the Legislature if the state's best interests are compromised because retention was not withheld on a transportation project. *(Amended by Stats. 2019, Ch. 842, Sec. 1. (SB 197) Effective January 1, 2020.)*

[§7203 \(Delay Damages\)](#). (a) A public works contract entered into on or after January 1, 2016, that contains a clause that expressly requires a contractor to be responsible for delay damages is not enforceable unless the delay damages have been liquidated to a set amount and identified in the public works contract.

(b) "Delay damages" as used in this section, means damages incurred by the public agency for each day after the date on which the work was to be completed by the contractor pursuant to the public works contract. Delay damages shall not include damages incurred by a public agency after the filing of a notice of completion or, in the absence of a notice of completion, the acceptance by the public agency of the public work as complete.

(c) "Public agency" shall include the state, the Regents of the University of California, a city, charter city, county, charter county, district, public authority, municipal utility, and any other political subdivision or public corporation of the state.

(d) This section shall not be construed to limit a right or remedy that the public agency has to enforce the express terms of the public works contract, except for a clause that expressly requires a contractor to be liable for delay damages.

(e) This section shall not be construed to preclude a public agency from including more than one clause for delay damages for specified portions of work when the delay damages have been liquidated to a set amount for each individual clause and identified in the public works contract.

(f) This section shall not apply to departments identified in Section 10106.

*(Added by Stats. 2015, Ch. 434, Sec. 2. (AB 552) Effective January 1, 2016.)*

### ***California Labor Code Provisions – Wages, Working Hours***

[§1770 \(DIR\)](#). The Director of the Department of Industrial Relations shall determine the general prevailing rate of per diem wages in accordance with the standards set forth in Section 1773, and the director's determination in the matter shall be final except as provided in Section 1773.4. Nothing in this article, however, shall prohibit the payment of more than the general prevailing rate of wages to any worker employed on public work. This chapter does not permit any overtime work in violation of Article 3. *(Amended by Stats. 2017, Ch. 28, Sec. 17. (SB 96) Effective June 27, 2017.)*

[§1771 \(Prevailing Wages\)](#). Except for public works projects of one thousand dollars (\$1,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works.

This section is applicable only to work performed under contract, and is not applicable to work carried out by a public agency with its own forces. This section is applicable to contracts let for maintenance work. *(Amended by Stats. 1981, Ch. 449, Sec. 1.)*

[§1771.1 \(Registered to Perform Work\)](#). (a) A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.

(b) Notice of the requirement described in subdivision (a) shall be included in all bid invitations and public works contracts, and a bid shall not be accepted nor any contract or subcontract entered into without proof of the contractor or subcontractor's current registration to perform public work pursuant to Section 1725.5.

(c) An inadvertent error in listing a subcontractor who is not registered pursuant to Section 1725.5 in a bid proposal shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive, provided that any of the following apply:

(1) The subcontractor is registered prior to the bid opening.

(2) Within 24 hours after the bid opening, the subcontractor is registered and has paid the penalty registration fee specified in subparagraph (E) of paragraph (2) of subdivision (a) of Section 1725.5.

(3) The subcontractor is replaced by another registered subcontractor pursuant to Section 4107 of the Public Contract Code.

(d) Failure by a subcontractor to be registered to perform public work as required by subdivision (a) shall be grounds under Section 4107 of the Public Contract Code for the contractor, with the consent of the awarding authority, to substitute a subcontractor who is registered to perform public work pursuant to Section 1725.5 in place of the unregistered subcontractor.

(e) The department shall maintain on its internet website a list of contractors who are currently registered to perform public work pursuant to Section 1725.5.

(f) A contract entered into with any contractor or subcontractor in violation of subdivision (a) shall be subject to cancellation, provided that a contract for public work shall not be unlawful, void, or voidable solely due to the failure of the awarding body, contractor, or any subcontractor to comply with the requirements of Section 1725.5 or this section.

(g) If the Labor Commissioner or their designee determines that a contractor or subcontractor engaged in the performance of any public work contract without having been registered in accordance with this section, the contractor or subcontractor shall forfeit, as a civil penalty to the state, one hundred dollars (\$100) for each day of work performed in violation of the registration requirement, not to exceed an aggregate penalty of eight thousand dollars (\$8,000) in addition to any penalty registration fee assessed pursuant to clause (ii) of subparagraph (E) of paragraph (2) of subdivision (a) of Section 1725.5.

(h) (1) In addition to, or in lieu of, any other penalty or sanction authorized pursuant to this chapter, a higher tiered public works contractor or subcontractor who is found to have entered into a subcontract with an unregistered lower tier subcontractor to perform any public work in violation of the requirements of Section 1725.5 or this section shall be subject to forfeiture, as a civil penalty to the state, of one hundred dollars (\$100) for each day the unregistered lower tier subcontractor performs work in violation of the registration requirement, not to exceed an aggregate penalty of ten thousand dollars (\$10,000).

(2) The Labor Commissioner shall use the same standards specified in subparagraph (A) of paragraph (2) of subdivision (a) of Section 1775 when determining the severity of the violation and what penalty to assess, and may waive the penalty for a first time violation that was unintentional and did not hinder the Labor Commissioner's ability to monitor and enforce compliance with the requirements of this chapter.

(3) A higher tiered public works contractor or subcontractor shall not be liable for penalties assessed pursuant to paragraph (1) if the lower tier subcontractor's performance is in violation of the requirements of Section 1725.5 due to the revocation of a previously approved registration.

(4) A subcontractor shall not be liable for any penalties assessed against a higher tiered public works contractor or subcontractor pursuant to paragraph (1). A higher tiered public works contractor or subcontractor may not require a lower tiered subcontractor to indemnify or otherwise be liable for any penalties pursuant to paragraph (1).

(i) The Labor Commissioner or their designee shall issue a civil wage and penalty assessment, in accordance with the provisions of Section 1741, upon determination of penalties pursuant to subdivision (g) and paragraph (1) of subdivision (h). Review of a civil wage and penalty assessment issued under this subdivision may be requested in accordance with the provisions of Section 1742. The regulations of the Director of Industrial Relations, which govern proceedings for review of civil wage and penalty assessments and the withholding of contract payments under Article 1 (commencing with Section 1720) and Article 2 (commencing with Section 1770), shall apply.

(j) (1) Where a contractor or subcontractor engages in the performance of any public work contract without having been registered in violation of the requirements of Section 1725.5 or this section, the Labor Commissioner shall issue and serve a stop order prohibiting the use of the unregistered contractor or the unregistered subcontractor on all public works until the unregistered contractor or unregistered subcontractor is registered. The stop order shall not apply to work by registered contractors or subcontractors on the public work.

(2) A stop order may be personally served upon the contractor or subcontractor by either of the following methods:

(A) Manual delivery of the order to the contractor or subcontractor personally.

(B) Leaving signed copies of the order with the person who is apparently in charge at the site of the public work and by thereafter mailing copies of the order by first-class mail, postage prepaid to the contractor or subcontractor at one of the following:

(i) The address of the contractor or subcontractor on file with either the Secretary of State or the Contractors State License Board.

(ii) If the contractor or subcontractor has no address on file with the Secretary of State or the Contractors State License Board, the address of the site of the public work.

(3) The stop order shall be effective immediately upon service and shall be subject to appeal by the party contracting with the unregistered contractor or subcontractor, by the unregistered contractor or subcontractor, or both. The appeal, hearing, and any further review of the hearing decision shall be governed by the procedures, time limits, and other requirements specified in subdivision (a) of Section 238.1.

(4) Any employee of an unregistered contractor or subcontractor who is affected by a work stoppage ordered by the commissioner pursuant to this subdivision shall be paid at their regular hourly prevailing wage rate by that employer for any hours the employee would have worked but for the work stoppage, not to exceed 10 days.

(k) Failure of a contractor or subcontractor, owner, director, officer, or managing agent of the contractor or subcontractor to observe a stop order issued and served upon them pursuant to subdivision (j) is guilty of a misdemeanor punishable by imprisonment in county jail not exceeding 60 days or by a fine not exceeding ten thousand dollars (\$10,000), or both.

(l) This section shall apply to any bid proposal submitted on or after March 1, 2015, and any contract for public work entered into on or after April 1, 2015. This section shall also apply to the performance of any public work, as defined in this chapter, on or after January 1, 2018, regardless of when the contract for public work was entered.

(m) Penalties received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(n) This section shall not apply to work performed on a public works project of twenty-five thousand dollars (\$25,000) or less when the project is for construction, alteration, demolition, installation, or repair work or to work performed on a public works project of fifteen thousand dollars (\$15,000) or less when the project is for maintenance work.

(o) Awarding authorities shall annually submit to the Department of Industrial Relations' electronic project registration database a list of contractors that are ineligible to bid on or be awarded a public works contract, or to perform work as a subcontractor on a public works project, pursuant to local debarment or suspension processes. The electronic database list shall contain the name of the contractor, the Contractors State License Board license number of the contractor, the specific jurisdiction where the debarment or suspension applies, and the effective period of debarment or suspension of the contractor. The electronic database list shall be updated at least annually. The department shall make the lists provided by awarding authorities available to the public through its project registration database, but shall have no responsibility for verifying or ensuring the accuracy of the information provided by awarding authorities, and shall have no liability in any respect with regard to such lists. *(Amended by Stats. 2023, Ch. 465, Sec. 1. (AB 1121) Effective January 1, 2024.)*

[§1771.15 \(Registration Requirement and Penalty\)](#). (a) A contractor or subcontractor shall not be qualified to be awarded contracts for, or engage in the performance of, any work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, 65913.4, or 65913.16 of the Government Code or any

work on projects or developments where a statute or regulation requires registration pursuant to Section 1725.6, unless currently registered and qualified to perform work pursuant to Section 1725.6.

(b) Notice of the requirement described in subdivision (a) shall be included in all bid invitations and contracts for any work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, 65913.4, or 65913.16 of the Government Code or for any work on projects or developments where a statute or regulation requires registration pursuant to Section 1725.6, and a bid shall not be accepted nor any contract or subcontract entered into without proof of the contractor or subcontractor's current registration to perform work pursuant to Section 1725.6.

(c) The department shall maintain on its internet website a list of contractors who are currently registered to perform work pursuant to Section 1725.6.

(d) A contract entered into with any contractor or subcontractor in violation of subdivision (a) shall be subject to cancellation, provided that a contract for work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, 65913.4, or 65913.16 of the Government Code or a contract for work on projects or developments where a statute or regulation requires registration pursuant to Section 1725.6 shall not be unlawful, void, or voidable solely due to the failure of the developer, development proponent, contractor, or any subcontractor to comply with the requirements of Section 1725.6 or this section.

(e) If the Labor Commissioner or their designee determines that a contractor or subcontractor engaged in the performance of any a contract for work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, 65913.4, or 65913.16 of the Government Code or any work on projects or developments where a statute or regulation requires registration pursuant to Section 1725.6 without having been registered in accordance with Section 1725.6, the contractor or subcontractor shall forfeit, as a civil penalty to the state, one hundred dollars (\$100) for each day of work performed in violation of the registration requirement, not to exceed an aggregate penalty of eight thousand dollars (\$8,000) in addition to any penalty registration fee assessed pursuant to clause (ii) of subparagraph (E) of paragraph (2) of subdivision (a) of Section 1725.6.

(f) (1) In addition to, or in lieu of, any other penalty or sanction authorized pursuant to this chapter, a higher tiered contractor or subcontractor who is found to have entered into a subcontract with an unregistered lower tier subcontractor to perform any work in violation of the requirements of Section 1725.6 or this section shall be subject to forfeiture, as a civil penalty to the state, of one hundred dollars (\$100) for each day the unregistered lower tier subcontractor performs work in violation of the registration requirement, not to exceed an aggregate penalty of ten thousand dollars (\$10,000).

(2) The Labor Commissioner shall use the same standards specified in subparagraph (A) of paragraph (2) of subdivision (a) of Section 1775 when determining the severity of the violation and what penalty to assess, and may waive the penalty for a first time violation that was unintentional and did not hinder the Labor Commissioner's ability to monitor and enforce compliance with the requirements of this chapter and of the requirements of Section 65852.24, 65912.130, 65912.131, 65913.4, or 65913.16 of the Government Code and the statutes that require registration pursuant to Section 1725.6 and include prevailing wage or skilled and trained workforce requirements.

(3) A higher tiered contractor or subcontractor shall not be liable for penalties assessed pursuant to paragraph (1) if the lower tier subcontractor's performance is in violation of the requirements of Section 1725.6 due to the revocation of a previously approved registration.

(4) A subcontractor shall not be liable for any penalties assessed against a higher tiered contractor or subcontractor pursuant to paragraph (1). A higher tiered contractor or subcontractor may not require a lower tiered subcontractor to indemnify or otherwise be liable for any penalties pursuant to paragraph (1).

(g) The Labor Commissioner or their designee shall issue a civil wage and penalty assessment, in accordance with the provisions of Section 1741, upon determination of penalties pursuant to subdivision (e) and paragraph (1) of subdivision (f). Review of a civil wage and penalty assessment issued under this subdivision may be requested in accordance with the provisions of Section 1742. The regulations of the Director of Industrial Relations, which govern proceedings for review of civil wage and penalty assessments and the withholding of contract payments under Article 1 (commencing with Section 1720) and Article 2 (commencing with Section 1770), shall apply.

(h) (1) Where a contractor or subcontractor engages in the performance of any contract for work on projects or developments subject to the requirements of Section 65852.24, 65912.130, 65912.131, 65913.4, or 65913.16 of the Government Code or any contract for work on projects or developments where a statute or regulation requires

registration pursuant to Section 1725.6 without having been registered in violation of the requirements of Section 1725.6 or this section, the Labor Commissioner shall issue and serve a stop order prohibiting the use of the unregistered contractor or the unregistered subcontractor on the project or development until the unregistered contractor or unregistered subcontractor is registered. The stop order shall not apply to work by registered contractors or subcontractors on the project or development.

(2) A stop order may be personally served upon the contractor or subcontractor by either of the following methods:

(A) Manual delivery of the order to the contractor or subcontractor personally.

(B) Leaving signed copies of the order with the person who is apparently in charge at the site of the project or development and by thereafter mailing copies of the order by first class mail, postage prepaid to the contractor or subcontractor at one of the following:

(i) The address of the contractor or subcontractor on file with either the Secretary of State or the Contractors State License Board.

(ii) If the contractor or subcontractor has no address on file with the Secretary of State or the Contractors State License Board, the address of the site of the project or development.

(3) The stop order shall be effective immediately upon service and shall be subject to appeal by the party contracting with the unregistered contractor or subcontractor, by the unregistered contractor or subcontractor, or both. The appeal, hearing, and any further review of the hearing decision shall be governed by the procedures, time limits, and other requirements specified in subdivision (a) of Section 238.1.

(4) Any employee of an unregistered contractor or subcontractor who is affected by a work stoppage ordered by the commissioner pursuant to this subdivision shall be paid at their regular hourly prevailing wage rate by that employer for any hours the employee would have worked but for the work stoppage, not to exceed 10 days.

(i) Failure of a contractor or subcontractor, owner, director, officer, or managing agent of the contractor or subcontractor to observe a stop order issued and served upon them pursuant to this subdivision is guilty of a misdemeanor punishable by imprisonment in county jail not exceeding 60 days, by a fine not exceeding ten thousand dollars (\$10,000), or both.

(j) Penalties received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

*(Amended by Stats. 2024, Ch. 52, Sec. 25. (AB 171) Effective July 2, 2024.)*

**[§1771.2 \(Action by the Courts\).](#)** (a) A joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) may bring an action in any court of competent jurisdiction against an employer that fails to pay the prevailing wage to its employees, as required by this article, or that fails to provide payroll records as required by Section 1776. This action shall be commenced not later than 18 months after the filing of a valid notice of completion in the office of the county recorder in each county in which the public work or some part thereof was performed, or not later than 18 months after acceptance of the public work, whichever occurs last.

(b) (1) In an action brought pursuant to this section, the court shall award restitution to an employee for unpaid wages, plus interest, under Section 3289 of the Civil Code from the date that the wages became due and payable, and liquidated damages equal to the amount of unpaid wages owed, and may impose civil penalties, only against an employer that failed to pay the prevailing wage to its employees, in accordance with Section 1775, injunctive relief, or any other appropriate form of equitable relief. The court shall follow the same standards and have the same discretion in setting the amount of penalties as are provided by subdivision (a) of Section 1775. The court shall award a prevailing joint labor-management committee its reasonable attorney's fees and costs incurred in maintaining the action, including expert witness fees.

(2) An action pursuant to this section shall not be based on the employer's misclassification of the craft of a worker in its certified payroll records.

(3) Liquidated damages shall be awarded only if the complaint alleges with specificity the wages due and unpaid to the individual workers, including how that amount was calculated, and the defendant fails to pay the wages, deposit that amount with the court to be held in escrow, or provide proof to the court of an adequate surety bond to cover the wages, within 60 days of service of the complaint. Liquidated damages shall be awarded only on the wages found to be due and unpaid. Additionally, if the defendant demonstrates to the satisfaction of the court



that the defendant had substantial grounds for contesting that a portion of the allegedly unpaid wages were owed, the court may exercise its discretion to waive the payment of the liquidated damages with respect to that portion of the unpaid wages.

(4) This subdivision does not limit any other available remedies for a violation of this chapter. *(Amended by Stats. 2018, Ch. 682, Sec. 1. (AB 3231) Effective January 1, 2019.)*

**§1771.4 (Furnish Records).** (a) All of the following are applicable to all public works projects that are otherwise subject to the requirements of this chapter:

(1) The call for bids and contract documents shall specify that the project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

(2) The awarding body shall post or require the prime contractor to post job site notices, as prescribed by regulation.

(3) (A) Each contractor and subcontractor shall furnish the records specified in Section 1776 directly to the Labor Commissioner, in the following manner:

(i) At least monthly or more frequently if specified in the contract with the awarding body. For purposes of this clause, “monthly” means that a submission of records shall be made at least once every 30 days while work is being performed on the project and within 30 days after the final day of work performed on the project.

(ii) In an electronic format, in the manner prescribed by the Labor Commissioner, on the department’s internet website.

(B) A contractor or subcontractor who fails to furnish records pursuant to subparagraph (A), relating to its employees, shall be subject to a penalty by the Labor Commissioner of one hundred dollars (\$100) per each day in which the party was in violation of subparagraph (A), not to exceed a total penalty of five thousand dollars (\$5,000) per project. Penalties received pursuant to this paragraph shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(C) The Labor Commissioner shall not levy a penalty pursuant to subparagraph (B) until a contractor or subcontractor fails to furnish the records pursuant to subparagraph (A) 14 days after the requirement set forth in clause (i) of subparagraph (A).

(D) Penalties pursuant to subparagraph (B) may only accrue to the actual contractor or subcontractor who failed to furnish the records pursuant to subparagraph (A).

(4) If the contractor or subcontractor is not registered pursuant to Section 1725.5 and is performing work on a project for which registration is not required because of subdivision (f) of Section 1725.5, the unregistered contractor or subcontractor is not required to furnish the records specified in Section 1776 directly to the Labor Commissioner but shall retain the records specified in Section 1776 for at least three years after completion of the work.

(5) The department shall undertake those activities it deems necessary to monitor and enforce compliance with prevailing wage requirements.

(b) The Labor Commissioner may exempt a public works project from compliance with all or part of the requirements of subdivision (a) if either of the following occurs:

(1) The awarding body has enforced an approved labor compliance program, as defined in Section 1771.5, on all public works projects under its authority, except those deemed exempt pursuant to subdivision (a) of Section 1771.5, continuously since December 31, 2011.

(2) The awarding body has entered into a collective bargaining agreement that binds all contractors performing work on the project and that includes a mechanism for resolving disputes about the payment of wages.

(c) The requirements of paragraph (1) of subdivision (a) shall only apply to contracts for public works projects awarded on or after January 1, 2015.

(d) The requirements of paragraph (3) of subdivision (a) shall apply to all contracts for public work, whether new or ongoing, on or after January 1, 2016.

(e) (1) No later than July 1, 2024, the department shall develop and implement an online database of electronic certified payroll records submitted pursuant to this section.

(2) The online database created pursuant to paragraph (1) shall only be accessible to multiemployer Taft-Hartley trust funds (29 U.S.C. Sec. 186(c)) and joint labor-management committees established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a).

(3) Electronic certified payroll records included in the online database created pursuant to paragraph (1) shall only contain nonredacted information pursuant to subdivision (e) of Section 1776 that may be provided to multiemployer Taft-Hartley trust funds (29 U.S.C. Sec. 186(c)) and joint labor-management committees established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) under applicable law. *(Amended by Stats. 2023, Ch. 131, Sec. 139. (AB 1754) Effective January 1, 2024.)*

**§1771.5 (Labor Compliance Program)**. (a) Notwithstanding Section 1771, an awarding body may choose not to require the payment of the general prevailing rate of per diem wages or the general prevailing rate of per diem wages for holiday and overtime work for any public works project of twenty-five thousand dollars (\$25,000) or less when the project is for construction work, or for any public works project of fifteen thousand dollars (\$15,000) or less when the project is for alteration, demolition, repair, or maintenance work, if the awarding body has elected to initiate and has been approved by the Director of Industrial Relations to enforce a labor compliance program pursuant to subdivision (b) for every public works project under the authority of the awarding body.

(b) For purposes of this section, a labor compliance program shall include, but not be limited to, the following requirements:

(1) All bid invitations and public works contracts shall contain appropriate language concerning the requirements of this chapter.

(2) A prejob conference shall be conducted with the contractor and subcontractors to discuss federal and state labor law requirements applicable to the contract.

(3) Project contractors and subcontractors shall maintain and furnish, at a designated time, a certified copy of each weekly payroll containing a statement of compliance signed under penalty of perjury.

(4) The awarding body shall review, and, if appropriate, audit payroll records to verify compliance with this chapter.

(5) The awarding body shall withhold contract payments when payroll records are delinquent or inadequate.

(6) The awarding body shall withhold contract payments equal to the amount of underpayment and applicable penalties when, after investigation, it is established that underpayment has occurred.

(7) The awarding body shall comply with any other prevailing wage monitoring and enforcement activities that are required to be conducted by labor compliance programs by the Department of Industrial Relations.

(c) For purposes of this chapter, “labor compliance program” means a labor compliance program that is approved, as specified in state regulations, by the Director of Industrial Relations.

(d) For purposes of this chapter, the Director of Industrial Relations may revoke the approval of a labor compliance program in the manner specified in state regulations. *(Amended by Stats. 2014, Ch. 28, Sec. 67. (SB 854) Effective June 20, 2014.)*

**§1771.6 (Withholding Wages)**. (a) Any awarding body that enforces this chapter in accordance with Section 1726 or 1771.5 shall provide notice of the withholding of contract payments to the contractor and subcontractor, if applicable. The notice shall be in writing and shall describe the nature of the violation and the amount of wages, penalties, and forfeitures withheld. Service of the notice shall be completed pursuant to Section 1013 of the Code of Civil Procedure by first-class and certified mail to the contractor and subcontractor, if applicable. The notice shall advise the contractor and subcontractor, if applicable, of the procedure for obtaining review of the withholding of contract payments.

The awarding body shall also serve a copy of the notice by certified mail to any bonding company issuing a bond that secures the payment of wages covered by the notice and to any surety on a bond, if their identities are known to the awarding body.

(b) The withholding of contract payments in accordance with Section 1726 or 1771.5 shall be reviewable under Section 1742 in the same manner as if the notice of the withholding was a civil penalty order of the Labor Commissioner under this chapter. If review is requested, the Labor Commissioner may intervene to represent the awarding body.



- (c) Pending a final order, or the expiration of the time period for seeking review of the notice of the withholding, the awarding body shall not disburse any contract payments withheld.
- (d) From the amount recovered, the wage claim shall be satisfied prior to the amount being applied to penalties. If insufficient money is recovered to pay each worker in full, the money shall be prorated among all workers.
- (e) Wages for workers who cannot be located shall be placed in the Industrial Relations Unpaid Wage Fund and held in trust for the workers pursuant to Section 96.7. Penalties shall be paid into the General Fund of the awarding body that has enforced this chapter pursuant to Section 1771.5. *(Repealed and added by Stats. 2000, Ch. 954, Sec. 16. Effective January 1, 2001. Operative July 1, 2001, by Sec. 21 of Ch. 954.)*

**§1772 (Employed Upon Public Work)**. Workers employed by contractors or subcontractors in the execution of any contract for public work are deemed to be employed upon public work. *(Amended by Stats. 1992, Ch. 1342, Sec. 7. Effective January 1, 1993.)*

**§1773 (Determining Rates)**. The body awarding any contract for public work, or otherwise undertaking any public work, shall obtain the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which the public work is to be performed for each craft, classification, or type of worker needed to execute the contract from the Director of Industrial Relations. The holidays upon which those rates shall be paid need not be specified by the awarding body, but shall be all holidays recognized in the applicable collective bargaining agreement. If the prevailing rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the Government Code.

In determining the rates, the Director of Industrial Relations shall ascertain and consider the applicable wage rates established by collective bargaining agreements and the rates that may have been predetermined for federal public works, within the locality and in the nearest labor market area. Where the rates do not constitute the rates actually prevailing in the locality, the director shall obtain and consider further data from the labor organizations and employers or employer associations concerned, including the recognized collective bargaining representatives for the particular craft, classification, or type of work involved. The rate fixed for each craft, classification, or type of work shall be not less than the prevailing rate paid in the craft, classification, or type of work.

If the director determines that the rate of prevailing wage for any craft, classification, or type of worker is the rate established by a collective bargaining agreement, the director may adopt that rate by reference as provided for in the collective bargaining agreement and that determination shall be effective for the life of the agreement or until the director determines that another rate should be adopted. *(Amended by Stats. 1999, Ch. 30, Sec. 1. Effective January 1, 2000.)*

**§1773.1 (Per Diem Wages)**. (a) Per diem wages, as the term is used in this chapter or in any other statute applicable to public works, includes employer payments for the following:

- (1) Health and welfare.
- (2) Pension.
- (3) Vacation.
- (4) Travel.
- (5) Subsistence.
- (6) Apprenticeship or other training programs authorized by Section 3093, to the extent that the cost of training is reasonably related to the amount of the contributions.
- (7) Worker protection and assistance programs or committees established under the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a), to the extent that the activities of the programs or committees are directed to the monitoring and enforcement of laws related to public works.
- (8) Industry advancement and collective bargaining agreements administrative fees, provided that these payments are made pursuant to a collective bargaining agreement to which the employer is obligated.
- (9) Other purposes similar to those specified in paragraphs (1) to (5), inclusive; or other purposes similar to those specified in paragraphs (6) to (8), inclusive, if the payments are made pursuant to a collective bargaining agreement to which the employer is obligated.

(b) Employer payments include all of the following:

(1) The rate of contribution irrevocably made by the employer to a trustee or third person pursuant to a plan, fund, or program.

(2) The rate of actual costs to the employer reasonably anticipated in providing benefits to workers pursuant to an enforceable commitment to carry out a financially responsible plan or program communicated in writing to the workers affected.

(3) Payments to the California Apprenticeship Council pursuant to Section 1777.5.

(c) Employer payments are a credit against the obligation to pay the general prevailing rate of per diem wages. However, credit shall not be granted for benefits required to be provided by other state or federal law, for payments made to monitor and enforce laws related to public works if those payments are not made to a program or committee established under the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a), or for payments for industry advancement and collective bargaining agreement administrative fees if those payments are not made pursuant to a collective bargaining agreement to which the employer is obligated. Credits for employer payments also shall not reduce the obligation to pay the hourly straight time or overtime wages found to be prevailing. However, an increased employer payment contribution that results in a lower hourly straight time or overtime wage shall not be considered a violation of the applicable prevailing wage determination if all of the following conditions are met:

(1) The increased employer payment is made pursuant to criteria set forth in a collective bargaining agreement.

(2) The basic hourly rate and increased employer payment are no less than the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the director's general prevailing wage determination.

(3) The employer payment contribution is irrevocable unless made in error.

(d) An employer may take credit for an employer payment specified in subdivision (b), even if contributions are not made, or costs are not paid, during the same pay period for which credit is taken, if the employer regularly makes the contributions, or regularly pays the costs, for the plan, fund, or program on no less than a quarterly basis.

(e) The credit for employer payments shall be computed on an annualized basis when the employer seeks credit for employer payments that are higher for public works projects than for private construction performed by the same employer, unless one or more of the following occur:

(1) The employer has an enforceable obligation to make the higher rate of payments on future private construction performed by the employer.

(2) The higher rate of payments is required by a project labor agreement.

(3) The payments are made to the California Apprenticeship Council pursuant to Section 1777.5.

(4) The director determines that annualization would not serve the purposes of this chapter.

(f) (1) For the purpose of determining those per diem wages for contracts, the representative of any craft, classification, or type of worker needed to execute contracts shall file with the Department of Industrial Relations fully executed copies of the collective bargaining agreements for the particular craft, classification, or type of work involved. The collective bargaining agreements shall be filed after their execution and thereafter may be taken into consideration pursuant to Section 1773 whenever they are filed 30 days prior to the call for bids. If the collective bargaining agreement has not been formalized, a typescript of the final draft may be filed temporarily, accompanied by a statement under penalty of perjury as to its effective date.

(2) When a copy of the collective bargaining agreement has previously been filed, fully executed copies of all modifications and extensions of the agreement that affect per diem wages or holidays shall be filed.

(3) The failure to comply with filing requirements of this subdivision shall not be grounds for setting aside a prevailing wage determination if the information taken into consideration is correct. (*Amended by Stats. 2016, Ch. 231, Sec. 1. (SB 954) Effective January 1, 2017.*)

[1773.2 \(Post Wages at Job Site\)](#). The body awarding any contract for public work, or otherwise undertaking any public work, shall specify in the call for bids for the contract, and in the bid specifications and in the contract itself, what the general rate of per diem wages is for each craft, classification, or type of worker needed to execute the contract.

In lieu of specifying the rate of wages in the call for bids, and in the bid specifications and in the contract itself, the awarding body may, in the call for bids, bid specifications, and contract, include a statement that copies of the prevailing rate of per diem wages are on file at its principal office, which shall be made available to any interested party on request. The awarding body shall also cause a copy of the determination of the director of the prevailing rate of per diem wages to be posted at each job site. *(Amended by Stats. 1992, Ch. 1342, Sec. 8. Effective January 1, 1993.)*

[§1773.4 \(Petition Filing\)](#) Any prospective bidder or his representative, any representative of any craft, classification or type of workman involved, or the awarding body may, within 20 days after commencement of advertising of the call for bids by the awarding body, file with the Director of Industrial Relations a verified petition to review the determination of any such rate or rates upon the ground that they have not been determined in accordance with the provision of Section 1773 of this code. Within two days thereafter, a copy of such petition shall be filed with the awarding body. The petition shall set forth the facts upon which it is based. The Director of Industrial Relations or his authorized representative shall, upon notice to the petitioner, the awarding body and such other persons as he deems proper, including the recognized collective bargaining representatives for the particular crafts, classifications or types of work involved, institute an investigation or hold a hearing. Within 20 days after the filing of such petition, or within such longer period as agreed upon by the director, the awarding body, and all the interested parties, he shall make a determination and transmit the same in writing to the awarding body and to the interested parties. Such determination shall be final and shall be the determination of the awarding body. Upon receipt by it of the notice of the filing of such petition the body awarding the contract or authorizing the public work shall extend the closing date for the submission of bids or the starting of work until five days after the determination of the general prevailing rates of per diem wages pursuant to this section.

Upon the filing of any such petition, notice thereof shall be set forth in the next and all subsequent publications by the awarding body of the call for bids. No other notice need be given to bidders by the awarding body by publication or otherwise. The determination of the director shall be included in the contract. *(Amended by Stats. 1969, Ch. 301.)*

[§1773.6 \(Change in Prevailing Wage\)](#). If during any quarterly period the Director of Industrial Relations shall determine that there has been a change in any prevailing rate of per diem wages in any locality he or she shall make such change available to the awarding body and his or her determination shall be final. Such determination by the Director of Industrial Relations shall not be effective as to any contract for which the notice to bidders has been published. *(Amended by Stats. 2017, Ch. 28, Sec. 22. (SB 96) Effective June 27, 2017.)*

[§1773.8. \(Lower Taxable Wage\)](#). An increased employer payment contribution that results in a lower taxable wage shall not be considered a violation of the applicable prevailing wage determination so long as all of the following conditions are met:

- (a) The increased employer payment is made pursuant to criteria set forth in a collective bargaining agreement.
- (b) The increased employer payment and hourly straight time and overtime wage combined are no less than the general prevailing rate of per diem wages.
- (c) The employer payment contribution is irrevocable unless made in error. *(Added by Stats. 2012, Ch. 827, Sec. 2. (AB 2677) Effective January 1, 2013.)*

[§1774 \(Prevailing Rate\)](#). The contractor to whom the contract is awarded, and any subcontractor under him, shall pay not less than the specified prevailing rates of wages to all workmen employed in the execution of the contract. *(Enacted by Stats. 1937, Ch. 90.)*

[§1775 \(Penalties\)](#). (a) (1) The contractor and any subcontractor under the contractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the director for the work or craft in which the worker is employed for any public work done under the contract by the contractor or, except as provided in subdivision (b), by any subcontractor under the contractor.

(2) (A) The amount of the penalty shall be determined by the Labor Commissioner based on consideration of both of the following:

(i) Whether the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) Whether the contractor or subcontractor has a prior record of failing to meet its prevailing wage obligations.

(B) (i) The penalty may not be less than forty dollars (\$40) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, unless the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) The penalty may not be less than eighty dollars (\$80) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the contractor or subcontractor has been assessed penalties within the previous three years for failing to meet its prevailing wage obligations on a separate contract, unless those penalties were subsequently withdrawn or overturned.

(iii) The penalty may not be less than one hundred twenty dollars (\$120) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the Labor Commissioner determines that the violation was willful, as defined in subdivision (c) of Section 1777.1.

(C) If the amount due under this section is collected from the contractor or subcontractor, any outstanding wage claim under Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 against that contractor or subcontractor shall be satisfied before applying that amount to the penalty imposed on that contractor or subcontractor pursuant to this section.

(D) The determination of the Labor Commissioner as to the amount of the penalty shall be reviewable only for abuse of discretion.

(E) The difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the contractor or subcontractor, and the body awarding the contract shall cause to be inserted in the contract a stipulation that this section will be complied with.

(b) If a worker employed by a subcontractor on a public works project is not paid the general prevailing rate of per diem wages by the subcontractor, the prime contractor of the project is not liable for any penalties under subdivision

(a) unless the prime contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with all of the following requirements:

(1) The contract executed between the contractor and the subcontractor for the performance of work on the public works project shall include a copy of the provisions of this section and Sections 1771, 1776, 1777.5, 1813, and 1815.

(2) The contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the subcontractor to the employees, by periodic review of the certified payroll records of the subcontractor.

(3) Upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages, the contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the subcontractor for work performed on the public works project.

(4) Prior to making final payment to the subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing rate of per diem wages to his or her employees on the public works project and any amounts due pursuant to Section 1813.

(c) The Division of Labor Standards Enforcement shall notify the contractor on a public works project within 15 days of the receipt by the Division of Labor Standards Enforcement of a complaint of the failure of a subcontractor on that public works project to pay workers the general prevailing rate of per diem wages. (*Amended by Stats. 2011, Ch. 677, Sec. 1. (AB 551) Effective January 1, 2012.*)

[§1776 \(Payroll Records\)](#). (a) Each contractor and subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and

week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the contractor or subcontractor in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(1) The information contained in the payroll record is true and correct.

(2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by that person's employees on the public works project.

(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or the employee's authorized representative on request.

(2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract and the Division of Labor Standards Enforcement of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through either the body awarding the contract or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor, subcontractors, and the entity through which the request was made. The public may not be given access to the records at the principal office of the contractor.

(c) Unless required to be furnished directly to the Labor Commissioner in accordance with paragraph (3) of subdivision (a) of Section 1771.4, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division. The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain the same information as the forms provided by the division and the printouts are verified in the manner specified in subdivision (a).

(d) A contractor or subcontractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested the records within 10 days after receipt of a written request.

(e) (1) Except as provided in subdivision (f), any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a multiemployer Taft-Hartley trust fund (29 U.S.C. Sec. 186(c)(5)) that requests the records for the purposes of allocating contributions to participants shall be marked or obliterated only to prevent disclosure of an individual's full social security number, but shall provide the last four digits of the social security number. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's social security number.

(2) Copies of electronic certified payroll records shall not satisfy payroll records requests made by Taft-Hartley trust funds and joint labor-management committees. Any copy of records requested by, and made available for inspection by or furnished to, a Taft-Hartley trust fund or joint labor-management committee shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division.

(f) (1) Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided nonredacted copies of certified payroll records. Any copies of records or certified payroll made available for inspection and furnished upon request to the public by an agency included in the Joint Enforcement Strike Force on the Underground Economy or to a law enforcement agency investigating a violation of law shall be marked or redacted to prevent disclosure of an individual's name, address, and social security number.



(2) An employer shall not be liable for damages in a civil action for any reasonable act or omission taken in good faith in compliance with this subdivision.

(g) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.

(h) The contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). In the event that the contractor or subcontractor fails to comply within the 10-day period, the contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.

(i) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section.

(j) The director shall adopt rules consistent with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code) and the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) governing the release of these records, including the establishment of reasonable fees to be charged for reproducing copies of records required by this section. *(Amended by Stats. 2023, Ch. 806, Sec. 1. (AB 587) Effective January 1, 2024.)*

1777.5. Apprenticeship Program. (a) (1) This chapter does not prevent the employment upon public works of properly registered apprentices who are active participants in an approved apprenticeship program.

(2) For purposes of this chapter, “apprenticeship program” means a program under the jurisdiction of the California Apprenticeship Council established pursuant to Section 3070.

(b) (1) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(2) Unless otherwise provided by a collective bargaining agreement, when a contractor requests the dispatch of an apprentice pursuant to this section to perform work on a public works project and requires the apprentice to fill out an application or undergo testing, training, an examination, or other preemployment process as a condition of employment, the apprentice shall be paid for the time spent on the required preemployment activity, including travel time to and from the required activity, if any, at the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered. Unless otherwise provided by a collective bargaining agreement, a contractor is not required to compensate an apprentice for the time spent on preemployment activities if the apprentice is required to take a preemployment drug or alcohol test and he or she fails to pass that test.

(c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:

(1) The apprenticeship standards and apprentice agreements under which he or she is training.

(2) The rules and regulations of the California Apprenticeship Council.

(d) If the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program’s standards shall not be required to submit any additional application in order to include additional public works

contracts under that program. "Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).

(e) Before commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body, if requested by the awarding body. Within 60 days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for 12 months.

(f) The apprenticeship program supplying apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.

(g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates if the contractor agrees to be bound by those standards. However, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

(h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. When an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Administrator of Apprenticeship, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.

(i) A contractor covered by this section who has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or who has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

(j) Upon proper showing by a contractor that he or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Administrator of Apprenticeship may grant a certificate exempting the contractor from the 1-to-5 hourly ratio, as set forth in this section for that craft or trade.

(k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the 1-to-5 ratio set forth in this section when it finds that any one of the following conditions is met:

(1) Unemployment for the previous three-month period in the area exceeds an average of 15 percent.

(2) The number of apprentices in training in the area exceeds a ratio of 1 to 5.

(3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.

(4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

(l) If an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member contractors shall not be required to submit

individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

(m) (1) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.

(2) (A) At the conclusion of the 2002–03 fiscal year and each fiscal year thereafter, the California Apprenticeship Council shall distribute training contributions received by the council under this subdivision, less the expenses of the Department of Industrial Relations for administering this subdivision, by making grants to approved apprenticeship programs for the purpose of training apprentices. The grant funds shall be distributed as follows:

(i) If there is an approved multiemployer apprenticeship program serving the same craft or trade and geographic area for which the training contributions were made to the council, a grant to that program shall be made.

(ii) If there are two or more approved multiemployer apprenticeship programs serving the same craft or trade and county for which the training contributions were made to the council, the grant shall be divided among those programs based on the number of apprentices from that county registered in each program.

(iii) All training contributions not distributed under clauses (i) and (ii) shall be used to defray the future expenses of the Department of Industrial Relations for the administration and enforcement of apprenticeship and preapprenticeship standards and requirements under this code.

(B) An apprenticeship program shall only be eligible to receive grant funds pursuant to this subdivision if the apprenticeship program agrees, prior to the receipt of any grant funds, to keep adequate records that document the expenditure of grant funds and to make all records available to the Department of Industrial Relations so that the Department of Industrial Relations is able to verify that grant funds were used solely for training apprentices. For purposes of this subparagraph, adequate records include, but are not limited to, invoices, receipts, and canceled checks that account for the expenditure of grant funds. This subparagraph shall not be deemed to require an apprenticeship program to provide the Department of Industrial Relations with more documentation than is necessary to verify the appropriate expenditure of grant funds made pursuant to this subdivision.

(C) The Department of Industrial Relations shall verify that grants made pursuant to this subdivision are used solely to fund training apprentices. If an apprenticeship program is unable to demonstrate how grant funds are expended or if an apprenticeship program is found to be using grant funds for purposes other than training apprentices, then the apprenticeship program shall not be eligible to receive any future grant pursuant to this subdivision and the Department of Industrial Relations may initiate the process to rescind the registration of the apprenticeship program.

(3) All training contributions received pursuant to this subdivision shall be deposited in the Apprenticeship Training Contribution Fund, which is hereby created in the State Treasury. Upon appropriation by the Legislature, all moneys in the Apprenticeship Training Contribution Fund shall be used for the purpose of carrying out this subdivision and to pay the expenses of the Department of Industrial Relations.

(n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this section for all apprenticeable occupations with the prime contractor.

(o) This section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars (\$30,000).

(p) An awarding body that implements an approved labor compliance program in accordance with subdivision (b) of Section 1771.5 may, with the approval of the director, assist in the enforcement of this section under the terms and conditions prescribed by the director. *(Amended by Stats. 2018, Ch. 704, Sec. 17. (AB 235) Effective September 22, 2018.)*

[§1777.6 \(Registered Apprentices\)](#). An employer or a labor union shall not refuse to accept otherwise qualified employees as registered apprentices on any public works on any basis listed in subdivision (a) of Section 12940 of



the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as provided in Section 3077 of this code and Section 12940 of the Government Code. *(Amended by Stats. 2004, Ch. 788, Sec. 15. Effective January 1, 2005.)*

[§1777.7 \(Violation Penalty\)](#). (a) (1) If the Labor Commissioner or his or her designee determines after an investigation that a contractor or subcontractor knowingly violated Section 1777.5, the contractor and any subcontractor responsible for the violation shall forfeit, as a civil penalty to the state or political subdivision on whose behalf the contract is made or awarded, not more than one hundred dollars (\$100) for each full calendar day of noncompliance. The amount of this penalty may be reduced by the Labor Commissioner if the amount of the penalty would be disproportionate to the severity of the violation. A contractor or subcontractor that knowingly commits a second or subsequent violation within a three-year period, if the noncompliance results in apprenticeship training not being provided as required by this chapter, shall forfeit as a civil penalty the sum of not more than three hundred dollars (\$300) for each full calendar day of noncompliance.

(2) In lieu of the penalty provided for in this subdivision, the Labor Commissioner may, for a first-time violation and with the concurrence of an apprenticeship program described in subdivision (d) of Section 1777.5, order the contractor or subcontractor to provide apprentice employment equivalent to the work hours that would have been provided for apprentices during the period of noncompliance.

(b) The Labor Commissioner shall consider, in setting the amount of a monetary penalty, all of the following circumstances:

- (1) Whether the violation was intentional.
- (2) Whether the party has committed other violations of Section 1777.5.
- (3) Whether, upon notice of the violation, the party took steps to voluntarily remedy the violation.
- (4) Whether, and to what extent, the violation resulted in lost training opportunities for apprentices.
- (5) Whether, and to what extent, the violation otherwise harmed apprentices or apprenticeship programs.

(c) (1) The Labor Commissioner or his or her designee shall issue a civil wage and penalty assessment, in accordance with the provisions of Section 1741, upon determination of penalties assessed under subdivisions (a) and (b). Review of a civil wage and penalty assessment issued under this subdivision may be requested in accordance with the provisions of Section 1742. The regulations of the Director of Industrial Relations, which govern proceedings for review of civil wage and penalty assessments and the withholding of contract payments under Article 1 (commencing with Section 1720) and Article 2 (commencing with Section 1770), shall apply.

(2) For purposes of this section, a determination issued pursuant to subdivision (a) or (b) includes a determination that has been approved by the Labor Commissioner and issued by an awarding body that has been authorized to assist the director in the enforcement of Section 1777.5 pursuant to subdivision (p) of that section. The Labor Commissioner may intervene in any proceeding for review of a determination issued by an awarding body. If the involvement of the Labor Commissioner in a labor compliance program enforcement action is limited to a review of the determination and the matter is resolved without litigation by or against the Labor Commissioner or the department, the awarding body shall enforce any applicable penalties, as specified in this section, and shall deposit any penalties and forfeitures collected in the General Fund.

(d) The determination of the Labor Commissioner as to the amount of the penalty imposed under subdivisions (a) and (b) shall be reviewable only for an abuse of discretion.

(e) If a subcontractor is found to have violated Section 1777.5, the prime contractor of the project is not liable for any penalties under subdivision (a) unless the prime contractor had knowledge of the subcontractor's failure to comply with the provisions of Section 1777.5 or unless the prime contractor fails to comply with any of the following requirements:

(1) The contract executed between the contractor and the subcontractor for the performance of work on the public works project shall include a copy of the provisions of Sections 1771, 1775, 1776, 1777.5, 1813, and 1815.

(2) The contractor shall continually monitor a subcontractor's use of apprentices required to be employed on the public works project pursuant to subdivision (d) of Section 1777.5, including, but not limited to, periodic review of the certified payroll of the subcontractor.

(3) Upon becoming aware of a failure of the subcontractor to employ the required number of apprentices, the contractor shall take corrective action, including, but not limited to, retaining funds due to the subcontractor for work performed on the public works project until the failure is corrected.

(4) Prior to making the final payment to the subcontractor for work performed on the public works project, the contractor shall obtain a declaration signed under penalty of perjury from the subcontractor that the subcontractor has employed the required number of apprentices on the public works project.

(f) The Division of Labor Standards Enforcement shall notify the contractor on a public works project within 15 days of the receipt by the division of a complaint that a subcontractor on that public works project knowingly violated Section 1777.5.

(g) The interpretation of Section 1777.5 and the substantive requirements of this section applicable to contractors or subcontractors shall be in accordance with the regulations of the California Apprenticeship Council.

(h) The Director of Industrial Relations may adopt regulations to establish guidelines for the imposition of monetary penalties. *(Repealed and added by Stats. 2014, Ch. 297, Sec. 3. (AB 2744) Effective January 1, 2015.)*

[§1778 \(Use of Wages\)](#). Every person, who individually or as a representative of an awarding or public body or officer, or as a contractor or subcontractor doing public work, or agent or officer thereof, who takes, receives, or conspires with another to take or receive, for his or her own use or the use of any other person any portion of the wages of any worker or working subcontractor, in connection with services rendered upon any public work is guilty of a felony. *(Amended by Stats. 2017, Ch. 28, Sec. 23. (SB 96) Effective June 27, 2017.)*

[§1779 \(No Fee for Registering\)](#). Any person or agent or officer thereof who charges, collects, or attempts to charge or collect, directly or indirectly, a fee or valuable consideration for registering any person for public work, or for giving information as to where such employment may be procured, or for placing, assisting in placing, or attempting to place, any person in public work, whether the person is to work directly for the State, or any political subdivision or for a contractor or subcontractor doing public work is guilty of a misdemeanor. *(Enacted by Stats. 1937, Ch. 90.)*

[§1780 \(No Fee for Employment\)](#). Any person acting on behalf of the State or any political subdivision, or any contractor or subcontractor or agent or representative thereof, doing any public work who places any order for the employment of a worker on public work where the filling of the order for employment involves the charging of a fee, or the receiving of a valuable consideration from any applicant for employment is guilty of a misdemeanor. *(Amended by Stats. 2017, Ch. 28, Sec. 24. (SB 96) Effective June 27, 2017.)*

[§1810 \(Legal Day's Work\)](#). Eight hours labor constitutes a legal day's work in all cases where the same is performed under the authority of any law of this State, or under the direction, or control, or by the authority of any officer of this State acting in his official capacity, or under the direction, or control or by the authority of any municipal corporation, or of any officer thereof. A stipulation to that effect shall be made a part of all contracts to which the State or any municipal corporation therein is a party. *(Enacted by Stats. 1937, Ch. 90.)*

[§1811 \(Hours Limitation\)](#). The time of service of any worker employed upon public work is limited and restricted to eight hours during any one calendar day, and 40 hours during any one calendar week, except as hereinafter provided for under Section 1815. *(Amended by Stats. 2017, Ch. 28, Sec. 25. (SB 96) Effective June 27, 2017.)*

[§1812 \(Hours Records\)](#). Every contractor and subcontractor shall keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by him or her in connection with the public work. The record shall be kept open at all reasonable hours to the inspection of the awarding body and to the Division of Labor Standards Enforcement. *(Amended by Stats. 1988, Ch. 160, Sec. 123.)*

[§1813 \(Contractor Penalty\)](#). The contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall

cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract, and shall report them to the Division of Labor Standards Enforcement. *(Amended (as added by Stats. 1997, Ch. 757, Sec. 6) by Stats. 2002, Ch. 28, Sec. 3. Effective January 1, 2003.)*

[§1814 \(Violations\)](#). Any officer, agent, or representative of the State or any political subdivision who violates any provision of this article and any contractor or subcontractor or agent or representative thereof doing public work who neglects to comply with any provision of Section 1812 is guilty of a misdemeanor. *(Added by renumbering Section 1816 by Stats. 1961, Ch. 238.)*

[§1815 \(Overtime Pay\)](#). Notwithstanding the provisions of Sections 1810 to 1814, inclusive, of this code, and notwithstanding any stipulation inserted in any contract pursuant to the requirements of said sections, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1<sup>1</sup>/<sub>2</sub> times the basic rate of pay. *(Amended by Stats. 1963, Ch. 964.)*

**End of Public Works Provisions Text**