

San Diego Airport Labor Compliance

Presented By:

Carla De La Cruz

Karla Rubio



Meet the Primes

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LABOR COMPLIANCE PURPOSE AND OBJECTIVE



California's prevailing wage law has been in place for more than 50 years. It is the law of the land for federal and state public works projects. In government contracting, a prevailing wage is the hourly wage paid to the majority of the workers, laborers and mechanics within one specific geographic area.

The purpose of this program is to ensure the Authority meets the statutory requirements for prevailing wages and apprenticeship utilization; ensure participating contractors comply with the spirit and letter of the law; and to provide a mechanism to monitor the payment of prevailing wages on all projects performed at the Airport Authority.

WHAT IS PUBLIC WORKS

- Construction under contract and paid for in part or in whole by Public Funds (state, local, and/or federal monies)
- New construction (\$1K+) - Cannot split cost to stay under \$ value
- Alteration, demolition, installation, repair work, maintenance, warranty work
- Includes pre-construction activities (soil & material testing and surveying) and post-construction work
- Includes final clean-up of a construction project

WHO MUST COMPLY WITH PUBLIC WORKS

Any contractors and subcontractors who bid or enter into a public works contract. It may include any of the following:

- Ready Mix Suppliers
- Sole proprietors, owner or brokers
- Trucking companies
- Professional service firms

PUBLIC WORKS EXEMPTIONS

There are exemptions to Public Works requirements:

- Work carried out by a public agency “with its own work force”
- Certain janitorial and guard services
- Public Works Projects of \$1000 or less are exempt

Sub-contractors under 1 half of 1 percent are not exempt from compliance standards, just appearing on bid list (i.e., \$500,000 .5% = \$2,500)

AWARDING BODY OBLIGATIONS

1. Submit form PWC-100 to the DIR within 30 days of the award of a contract but in no event later than the first day in which a contractor has workers employed upon the public work (CA Labor Code Section 1773.3).
2. Include the Notice of requirement described in CA Labor Code 1771.1 in all bid invitations and public works contracts
3. Ensure the contractors are registered (CA Labor code 1771.1)
4. Require proof of Public Works Contractor Registration (CA Labor Code 1771.1(b))
5. Ensure contractors are paying prevailing wages and are in compliance with prevailing wage laws
6. Report any violations (CA Labor Code 1726(b))
7. Withhold and retain all amounts required to satisfy the Civil Wage and Penalty Assessment
8. Post or require contractors to post jobsite notices on public works requirements

The Awarding Body is required to specify in the call for bid the web site for applicable determinations

State funded only needs to provide the website to access the determinations

Federally funded projects **MUST** include the wage determinations in the bid notice (bid rates can change up to 10 days of Bid Opening which is the applicable rate)

Applicable wage determinations based on bid advertisement date & funding

CONTRACTOR OBLIGATIONS

- Register as a public works contractor prior to bid (CA Labor Code 1771.1)
- Pay prevailing wages
- Overtime requirement (DOL/DIR)
- Maintain and furnish Certified Payroll Reports
- Comply with apprenticeship requirements
- Ensure workplace postings are visible
 - Pay notice (date change)/Med-Health/Determinations/Whistle Blower/Paid Sick Leave/State Contractors License number/Calf Contractor Registration number/ Workers Comp Certification
- Prime contractor may conduct their own investigation and withhold contract payments from subs. The Prime has options to protect themselves against penalties as well: 1775(b) known as Limited Prime Contractor Safe Harbor
 - By ensuring the Labor Code Provisions are also in each subcontract 1771, 1775, 1776, 1777.5, 1813 & 1815
 - Prime is required to review CPR submitted by all sub/tier subcontractors to ensure prevailing wages are paid
 - Prime must take corrective actions when violations are discovered
 - Prime should have subcontractor sign an affidavit signed under penalty of perjury that all submitted documents/CPR are true & correct and have no violations

SDCRAA LABOR COMPLIANCE

“CA Labor Code Section 1726 (a) The body awarding the contract for public work shall take cognizance of violation of this chapter committed in the course of the execution of the contract and shall promptly report any suspected violation to the Labor Commissioner”

- Provide applicable wage determination
- Conduct pre-bid and pre-construction meetings
- Collect and review certified payroll records
- Monitor apprenticeship requirements
- Provide compliance and LCPtracker training
- Conduct onsite project interviews
- Respond to public records requests

QUESTIONS?

Carla De La Cruz, Labor Compliance Supervisor
cdelacruz@san.org
619-400-2657

Karla Rubio, Labor Compliance Technician II
krubio@san.org
619-400-2617