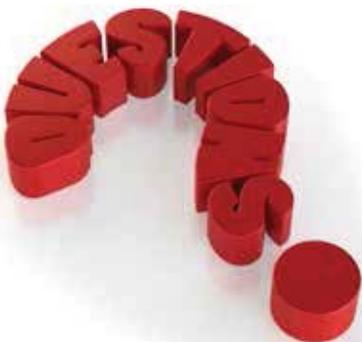


Prevailing wage issues for public agencies



SDRMA has received questions regarding prevailing wages and when are they required. We have developed this FAQ guide for our readers:

Some frequently asked questions:

1. What is Prevailing Wage?

The prevailing wage rate is the basic hourly rate paid on public works projects to a majority of workers engaged in a particular craft, classification or type of work within the locality and in the nearest labor market area (if a majority of such workers are paid at a single rate). If there is no single rate paid to a majority, then the single or modal rate being paid to the greater number of workers is prevailing.

2. What are the threshold requirements for a public works project?

Prevailing wages must be paid to all workers employed on a public works project when the public works project is over \$1,000.

3. How does the prevailing wage affect my agency?

California's prevailing wage laws ensure that the ability to get a public works contract is not based on paying lower wage rates than a competitor. All bidders are required to use the same wage rates when bidding on a public works project. California law requires that not less than the general prevailing rate of per diem wages be paid to all workers employed on a public works project.

4. What is a Public Works Project?

Public works refers to construction, alteration, demolition, installation, or repair work (including maintenance) done under contract and paid by public funds. Public works projects do not include those done by a public agency with its own employees. With minor exceptions, all workers employed on public works projects must be paid the prevailing wage determined by the Director of the Department of Industrial Relations according to the type of work and location.

5. How can I identify a qualified Contractor?

Beginning July 1, 2014, contractors must register and meet requirements using the online application before bidding on public works contracts in California. The application also provides agencies that administer public works programs with a searchable database of qualified contractors. The agency awarding the contract for a public works project must notify DIR within five days by completing the PWC-100 form online. This requirement now applies to all public works projects that are subject to the prevailing wage requirements of the Labor Code, regardless of size or funding source.

6. What does Labor Code §1771 state regarding holiday and overtime hours?

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.

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7. What is SB 864?

SB 854 made several changes to the laws governing how the Department of Industrial Relations (DIR) monitors compliance with prevailing wage requirements on public works projects. Some of these changes modify the responsibilities of awarding bodies, including by eliminating the obligation to pay DIR for compliance monitoring on state bond-funded projects.

8. As a public agency, what if we have a small job that is \$250? What if we have a series of jobs that total over \$1,000 using the same contractor/vendor?

Public agencies must be careful that they do not split the jobs up to avoid the \$1,000 threshold. If the project is under \$1,000, the project is not subject to public works; however, if the awarding agency knows that in a given fiscal year that projects are being awarded to the same vendor and the total project costs exceed \$1,000, the project should be treated as a public works and the contractor/vendor must be registered.

This is meant to be an example of possible questions you may face and is not intended to be legal advice. Consult with your District counsel for specific legal advice. Also you can visit the Department of Industrial Relations website, www.dir.ca.gov for additional information on Prevailing Wage questions.

For further information or to answer your questions, please contact SDRMA Chief Risk Officer Dennis Timoney at dtimoney@sdrma.org, or call 800.537.7790. ^

District Snapshots

Murphys Cemetery District

Last year, Buena Vista Cemetery in the Murphys Cemetery District was honored by the Native Sons and Native Daughters of the Golden West (NSGW and NDGW) by both groups coming together to dedicate the cemetery and to install a large plaque at the entry to Buena Vista Cemetery. The NSGW approached the cemetery board and told them that they, and the NDGW, felt that the cemetery holds the remains of most of the pioneers of the community and they believed it was worth acknowledging.

