

SAFE DRINKING WATER STATE REVOLVING FUND PROGRAM

Labor Compliance Program

FOR PROJECTS FUNDED USING

BOND FUNDS FROM PROP 50 OR PROP 84

July 2007

Proposition 50 was approved by voters in November 2002. Legislation providing guidance on administration of Prop 50 (SB 278, Ch 892, Statutes of 2002) included a requirement that entities undertaking construction, and third-party entities collaborating in improvement projects adopt and enforce a Labor Compliance Program (LCP) when the public works project is financed in any part with funds from the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Prop 50). Proposition 84, approved by voters in November 2006, also includes LCP requirements.

The LCP is used to ensure that workers employed by contractors on these projects are paid according to minimum labor standards. California Labor Code Section 1771.5(b) states that an LCP 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.

The Department of Industrial Relations (DIR) has developed a program guidebook to help interested parties obtain LCP approval, and included some sample LCPs, which may be modified by entities receiving Prop 50 based funding. This information is on their website at

<http://www.dir.ca.gov/lcp.asp#LCPlist>.

A list of private entities that may be contracted with to provide LCP development and implementation services can also be found on this website. Please note, the Director of DIR must approve an LCP and has the authority to revoke approval of an LCP. SDWSRF encourages applicants to review these documents to understand the scope of these LCP requirements and the format of previously approved programs.

Beginning in 2007, CDPH will include LCP requirements in project funding agreements from the SDWSRF. An applicant for SDWSRF funding which believes it is excluded from the LCP requirement should contact the Department of Industrial Relations directly in writing for a decision on their specific circumstance. If you have specific questions concerning Labor Compliance Program requirements of the SDWSRF, please contact Nadine Feletto, at 916-449-5621 or via e-mail at Nadine.Feletto@cdph.ca.gov.