



Labor Compliance Policy Bulletin

LCPB 20-1 Contractor Registration Requirements

References: *California Labor Code*

Section 1722.1 “Contractor” and
“subcontractor”

Section 1725.5, Registration requirement to
bid on public work contract; fees;

Section 1771.1 Registration required as
qualification to bid; Notice; Internet listing;
Penalties

Section 1773.3 Notice; Required information;
Penalties

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Approved: 

RACHEL FALSETTI, Chief
Division of Construction

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New Procedure

California Labor Code, Sections 1725.5, 1771.1, and 1773.3 mandate that the California Department of Transportation (Caltrans) verify contractors and subcontractors, as defined by Labor Code Section 1722.1, are registered with the Department of Industrial Relations (DIR) as qualified to bid on, be listed in a bid proposal, or engage in any public works contract. Contractors and subcontractors engaging in prevailing wage work on a public works project must renew their registration by July 1, each year, throughout the duration of the project. Failure to renew registration prohibits contractors or subcontractors from engaging in work on the project until registration is renewed. Caltrans risks penalties and the loss of state funding if it does not enforce registration requirements.

Before awarding a public works contract, the Caltrans division administering the bidding and award of the project must verify that all listed contractors and subcontractors are registered with DIR and notify DIR of the project by using the DIR online PWC-100, “Public Works Project Registration,” form.

After award, Caltrans staff continually reviews work site records, including daily reports, certified payrolls and weekly listings, to verify that all subcontractors are registered with DIR. If a subcontractor has not been entered into the PWC-100 for that project, staff will enter the subcontractor’s information throughout the life of the project.

During the project, Caltrans staff will check to verify that all contractors and subcontractors have renewed their registration as required under Labor Code 1725.5(a). If a contractor or subcontractor is unregistered, Caltrans staff must immediately notify the unregistered contractor by letter with a

copy to the resident engineer or contract manager. If an unregistered contractor is a subcontractor, the written notice should be sent to the prime contractor and copies sent to the subcontractor and the resident engineer or contract manager. If the contractor fails to register, Caltrans staff must notify DIR and must not allow the unregistered contractor to continue work on the project.

Upon completion of the project, the prime contractor must submit to Caltrans a list of all subcontractors who participated on the project. Final payment will not be made to the prime contractor until at least 30 days after the complete list of subcontractors is received and reviewed. Upon receipt of the list, Caltrans staff must verify that all contractors are registered with DIR and entered in the DIR Public Works Project Registration.

Failure to comply with these requirements subjects the contractor, subcontractor, and Caltrans, to penalties as described in Labor Codes 1771.1 and 1773.3.

For purposes of Labor Code 1725.5, any sole proprietor, including but not limited to owner-operators, or an entity or individual who is a joint employer of workers employed on public works must register with DIR. A joint employer includes an employment agency, temporary staffing agency, or labor contractor who employs workers in the execution of any contract of public works, and an entity or individual who enters into a contract or subcontract to perform public works, but subcontracts with another entity or individual to perform the actual work.

To confirm that a contractor or subcontractor has a DIR registration number, go to:

<https://cadir.secure.force.com/ContractorSearch>

To add unlisted subcontractors to the DIR PWC-100 after award, go to:

<https://www.dir.ca.gov/pwc100ext/LoginPage.aspx>

Background

Senate Bill 854 (2014) and Senate Bill 96 (2017) modified the laws governing prevailing wage work, and they set forth a requirement for all contractors and subcontractors to register with DIR before bidding on, being listed on a bid proposal, or engaging in prevailing wage work on a public works project. Awarding bodies' responsibilities were amended to include registering the project with DIR and enforcement of registration requirements throughout the life of the project. Failure to comply with the registration requirements subjects contractors, subcontractors, and awarding bodies to penalties.

Labor Code section 1725.5 sets forth the registration requirements applicable to contractors and subcontractors, including any exceptions.

Labor Code section 1771.1 sets forth the requirements relating to the bid process, including notification to potential bidders of the requirements, grounds for filing a bid protest, or considering a bid nonresponsive. Penalties for violating requirements are described.

Labor Code section 1773.3 requires the awarding body to verify contractor and subcontractor registration, register the project with DIR, and enforce requirements for the duration of the project. Penalties for failure by the awarding body to enforce registration requirements include making an awarding body ineligible to receive state funding or financial assistance for any construction project for one year.

Current policy requires the Caltrans division administering the bid and award of the project to verify DIR registration for contractors and all listed subcontractors and register the project with DIR in a PWC-100. There are no existing policies or procedures for monitoring and enforcement of contractor and subcontractor registration after award of the project.

If you have questions or comments regarding this bulletin, please contact Pat Maloney, Division of Construction, at Pat.Maloney@dot.ca.gov or (916) 654-3501.