
California Labor Compliance Program and New CMU Requirements



Presented by:

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When is a Labor Compliance Program Required?

Old Rule

- **Funding from Propositions**
 - 42 and 55- Education
 - 50 and 84 – Water
- **Design Build Projects**

New Rule

- **All State Bond Funds**
- **Design Build Projects**



What is Required After January 1, 2012?

Old Rule

- Operate your own LCP approved by the DIR
- Hire an approved Third Party Labor Compliance Program to enforce an LCP

New Rule

- Operate your own LCP approved by the DIR
- Use the new Compliance Monitoring Unit (CMU) Program operated by the DIR.



CMU Requirements

Contract Language

Register Project – DAS -13

Pay fee- $\frac{1}{4}$ of 1%

All payrolls submitted electronically

New Posters

Agency' s continuing obligation to monitor

Abide by Notice to Withhold or other directive from CMU.



CMU Requirements

- **Contract Language**

All contracts which will be using state bond funds or which fall within the design build guidelines set forth in 1771.5 must include contract language informing contractors :

The projects is subject to CMU monitoring and that certified payrolls must be submitted electronically to the CMU.

- **Register Project- NEW DAS-13 form**

Must be completed within 5 days of bid award.

Can be done online or by mail



CMU Requirements

- **Payment of fee $\frac{1}{4}$ of 1%**
 - **For Bid- Build Projects**
 - $\frac{1}{4}$ of 1% of the amount of state bond fees used for construction.
 - **For Design- Build Projects**
 - $\frac{1}{4}$ of 1% of ALL related project costs (except for land acquisition). This include architect, engineering, design work, including all construction.
 - This applies for all project whether or not state bond funds are being used.



CMU Requirements

- **Payment of fees**

- **Send the payment with a copy of the project notice or other information identifying the project to:**

**Department of Industrial Relations
Compliance Monitoring Unit
801 K Street, 21st Floor
Sacramento, CA 95814**



CMU Requirements

- **Electronic Submission of Certified Payrolls**
 - Contractors will be required to submit all certified payrolls relating to the project via an electronic web-based system
 - Agencies will have full access to review and print copies of payrolls submitted
 - Agencies must log onto the system to see
 - Payrolls Submitted
 - Deficiencies
 - Enforcement Actions



CMU Requirements

■ Electronic Payrolls –FAQ

- **How will awarding bodies be able to access the electronic Certified Payroll Reporting service (eCPR)?**
- The CMU staff will enter the awarding body information into the eCPR and will send an email to the awarding body that they now have access to the service. Once that occurs, the awarding body is registered and all of its projects' reports will be available for review.
- An awarding body is required to submit a DAS 13 to the Division of Apprenticeship Standards which will prompt the CMU to contact the awarding body to obtain additional information concerning the funding of the project. Once it is established that the project is subject to the CMU monitoring, the awarding body will be registered into the eCPR. The awarding body only needs to be registered once and can enter multiple projects thereafter.



CMU Requirements

■ Posters

- New jobsite posters informing workers of the CMU requirements may be obtained from the CMU:
CMU@dir.ca.gov
- Posters are NOT provided to contractors or the public. Poster may ONLY be requested by Agencies subject to CMU. Posters must list the location and contact information for the nearest DIR office.



CMU Requirements

- **Continuing Obligation of Local Agency**

(taken from FAQ DIR website):

- Since the awarding body is paying a fee to DIR, what specific requirements does an Awarding Body have to monitor certified payroll reports?

An awarding body will still have an obligation to monitor payroll as needed to ensure compliance with the terms of its public works contract.

Note: CMU is not collecting DAS-140 or DAS-142 forms. This still must be done by the Awarding Agency.

- What does “take cognizance of violations” in the course of the execution of the contract mean under Labor Code Section 1726?

If a violation comes to the attention of an awarding body, it should take enforcement action as authorized under the public works contract and it should also bring the violation to the attention of the CMU or any other office of DLSE.



CMU Requirements

- **Continual Obligation of Local Agency**
 - **Abide by Notice to Withhold or other directive from CMU to retain funds for project.**
 - **This may well be communicated via email through the electronic payroll system and not through independent means.**



Agency LCP versus CMU

- **What are the advantages and disadvantages of using your own LCP?**
 - You control your LCP monitoring functions and project.
 - You can ensure the integrity of your own projects and avoid unwanted publicity.
 - You review all required information instead of the process being piecemeal.
 - For large projects, the Agency may experience a cost savings by doing this “in house”.



Agency LCP versus CMU

- **Can I still use outside consultants to help with LCP Compliance?**
 - You may use an outside consultants for any of the following services:
 - Legal review, oversight, quality control, overflow work, report writing, ongoing training, hearings, assistance with annual report preparation.
 - Third Party LCP' s have formally be abolished (except for those project where the Agency has been “grandfathered” in under the old program)



Agency LCP v. CMU

- **The key is that the Agency must be responsible for the day to day operations of the LCP. This includes: preconstruction conferences, collection and review of certified payroll and job walks. The agency must have at least one person designated as the Labor Compliance Officer who has the authority to enforce the LCP.**



Agency LCP versus CMU

- **Federal Funding and ARRA projects**
 - Requires additional monitoring and auditing for which you can:
 - Use your own LCP
 - Hire a Third Party LCP



Obtaining an LCP

- **What is required if my Agency obtains an LCP**
 - Written program and application
 - DIR review (usually 60 days)
 - Compliance with all requirements
 - Annual Report



More Questions? Please contact us

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