

## CHAPTER 3

# LABOR COMPLIANCE REQUIREMENTS

### Prevailing Wage

**C**alifornia State Prevailing Wage Rates apply to all public works contracts as set forth in Labor Code Sections 1720, 1720.2, 1720.3, 1720.4, 1771, and 1774.

#### Prevailing Wage Requirements

Pursuant to Labor Code Section 1771.5, the Los Angeles Unified School District, Labor Compliance Program (LCP), as approved by the Director of the Department of Industrial Relations, shall apply to public works contracts that require the payment of prevailing wage rates and shall include all construction and installation contracts over \$25,000 and all contracts over \$15,000 when the project is for alteration, demolition, repair, maintenance, or warranty work (LCP Manual, July 2005, Section I (A), page 3).

**NOTE:** This threshold is only for LAUSD projects and other government agency public works projects may have a different threshold.

**MAINTENANCE:** Some maintenance work is subject to a prevailing wage and some is not; it depends on the type of work. Please contact our offices at (213) 241-4665 and we will ascertain whether the maintenance work falls under the prevailing wage requirement.

#### Prevailing Wage Determination

The Division of Labor Statistics and Research (DLSR) determines the appropriate prevailing wage rates for particular construction trades and crafts. The general prevailing wage rates are published twice a year, on February 22 and August 22 (LCP Manual, July 2005, Section I (A), page 3).

**NOTE:** According to the Department of Industrial Relations, each Prevailing Wage Determination is effective 10 days after its issued date.

#### Proper Prevailing Wage Rate

It is the contractor's duty to pay prevailing wage rates under Labor Code Section 1774 should the project exceed the exemption amounts. The payment of wages to each worker must equal or exceed the prevailing wage rate for the class of work actually performed within the correct locality (LCP Manual, July 2005, Section IV (A)(4), page 14). The prevailing wage rate includes the basic hourly rate of pay plus employer contributions (health and welfare, pension, vacation, travel, subsistence pay, and apprentice training).

Pursuant to Labor Code Section 1815, the overtime prevailing wage rate applies to hours worked in excess of 8 hours in any one calendar day, and 40 hours in any one calendar week. Any work performed on Saturday, Sunday, and/or Holidays shall be paid the correct overtime prevailing wage rate according to the Prevailing Wage Determination for that particular craft/trade (LCP Manual, July 2005, Section IV (A)(4), page 14).

Pursuant to Labor Code Section 1777.5, contractors must contribute to the training fund in the amount identified in the Prevailing Wage Determination for all journeymen and apprentices to an apprenticeship program approved by the Division of Apprenticeship Standards (DAS) or the California Apprenticeship Council (CAC).

The Prevailing Wage Rate may vary depending on the type of work performed by a worker. The Department of Industrial Relations specifies the type of work a certain craft can perform in the Scope of Work. Further information regarding the Scope of Work can be found in Chapter 4 “Common Violation and How to Avoid them”.

## Utilizing the DIR Prevailing Wage Determination

The procedures for accessing and using the prevailing wage determinations are described step by step in Chapter 4 “Common Violation and How to Avoid Them”.

### Accessing the Prevailing Wage Determination

The DIR Prevailing Wage Determinations can be found on the DIR website. From the DIR homepage, <http://www.dir.ca.gov>, select “Statistics & Research”. Prevailing Wage Determinations for journeymen as well as apprentice schedules, shift differentials, important notices, and advice letters (precedential decisions) can be accessed from this site.

### Selecting the Correct Prevailing Wage Determination

The Prevailing Wage Determinations, published bi-annually (February 22 and August 22), use the following naming conventions:

- For general county determinations:
  - The abbreviated county, followed by the four (4) digit year, then a single digit indicating the first or second issuance for the year.
  - For example, the February 22, 2005 determination would be LOS-2005-1, the August 22, 2005 determination is LOS-2005-2.
- For trade-specific statewide and Southern California determinations:
  - The letter ”C”, or letters “SC” followed by three (3) fields related to the specific trade, followed by the four (4) digit year, then a single digit indicating the first or second issuance for the year.

- For example, the February 22, 2005 Southern California determination is SC-3-5-1-2005-2.

The appropriate Prevailing Wage Determinations for use in the course of an audit is determined by the first of the two bid advertisement dates for the contract/project. Bid advertisement dates from February 22 to August 21 call for the “yyyy-1” determination, dates from August 22 to February 21 call for the “yyyy-2”.

**NOTE:** According to the Department of Industrial Relations, each Prevailing Wage Determination is effective 10 days after its issued date.

### **Obtaining Data from the Prevailing Wage Determination**

(The following relates to the Los Angeles County General Prevailing Wage Determination illustrated later.)

- Crafts Utilizing Apprentices
  - The leftmost column will be blank or will contain a pound sign (#). The # indicates the craft, including sub-crafts, utilizes apprentices.
- Footnotes
  - The next column, as well as others, may contain an alpha character(s) identifying a footnote with additional data on the following pages of the Prevailing Wage Determination.
- Crafts
  - The CRAFT column identifies the trades and sub-trades for which the DIR has a Prevailing Wage Determination.
- Issue Date and Expiration Date
  - The issue and expiration dates for the determination appear in the next two columns.
- Single and Double Asterisks
  - A single asterisk (\*) following the expiration date indicates that the rate on that wage determination is to be used for the life of the contract/project.
  - A double asterisk (\*\*) following the expiration date indicates that the rate is not necessarily valid for the life of the contract/project. The rate is subject to change after the expiration date and will be defined on the next Prevailing Wage Determination, which, if different, supersedes the predetermined increase.
- Employer Payments
  - Basic Hourly Rates
    - The hourly rate which is due to the employee, not including any fringe benefits. These rates include:
      - Shift differentials

- Predetermined wage increases and their effective dates unless the next prevailing wage determination is higher; than use the new prevailing wage determination.
- Fringe Benefits
  - Includes health and welfare, pension, vacation, training and other payments.
  - These amounts may be paid to a trust fund or may be paid directly to the worker.
- Straight-Time
  - “Hours” represents the number of hours worked in a normal work day with no overtime.
  - “Total Hourly Rate” represents the sum total of the basic hourly rate and all employer-paid fringe benefits.
- Overtime Hourly Rate
  - Daily, Saturday and Sunday/Holiday amounts represent overtime total hourly rates due to the worker.
- Contract Provision Website Links
  - “Holidays” lists all work holidays for the trade.
  - “Scope of Work” provides a list of tasks that are to be performed by that specific trade.
  - “Travel and Subsistence” provides amounts due to workers that are working outside their normal geographic area.
  - “Shift Differential” provides additional amounts due to workers working a non-standard shift.
  - “Predetermined Increases” This link exists only if there is a predetermined wage change scheduled.

<p><b>NOTE:</b> Please refer to Chapter 4 “Common Violation and How to Avoid them” for more information.</p>
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## Submission of Certified Payroll Records

Contractors shall maintain Certified Payroll Records (CPRs) and basic records (time cards, cancelled checks, cash receipts, trust fund forms, etc.) during the course of the work and shall preserve them for a period of three (3) years thereafter for all workers at the District’s project sites. The CPRs shall contain the name, address, social security number, and work classification of each employee and owner performing the work. The CPRs must also show straight time and overtime hours worked each day and each week, fringe benefit contributions, and the actual wage rate paid to each worker in connection with the public works project (LCP Manual, July 2005, Section IV (A), page 11).

Contractors who were awarded LAUSD projects with a bid advertisement date of February 1, 2004 or after are contractually required to submit electronic CPRs to the

District on a weekly basis using the Online Certified Payroll Reporting System (Refer to letters issued by LAUSD). In the event there has been no work performed during a given week, the CPR should state “No Work Performed” for that week. In addition, contractors shall submit a *Public Works Payroll Summary Form and Notice to Public Entity* with a wet signature to the Labor Compliance Department for each CPR (LCP Manual, July 2005, Section IV (A)(1), page 11).

The contractor shall be responsible for the review and submission of CPRs of all its subcontractors. All CPRs shall be accompanied by a signed *Public Works Payroll Summary Form and Notice to Public Entity* indicating that the CPRs are correct and complete, that the wage rates contained therein are not less than prevailing wages and that the classifications set forth for each employee conform with the work performed (LCP Manual, July 2005, Section IV (A)(1), page 11).

**NOTE:** Attached at the end of this chapter are the letters notifying contractors of their contractual obligations to submit online CPRs on a weekly basis.

Please refer to Chapter 6 “Online Tools” for step by step instructions for how to register for the LAUSD’s Online Certified Payroll System.

## Apprentices

The requirements of apprentices on public works projects shall be in accordance with the California Labor Code Section 1777.5 and Title 8, California Code of Regulations (CCR) Sections 230, 230.1, and 230.2.

Pursuant to Labor Code Section 1777.5, the employment and training of apprentices must also be in accordance with either:

- The apprenticeship standards and apprentice agreements under which he/she is training.
- The rules and regulations of the California Apprenticeship Council (CAC).

### Notification of Contract Award Information

Prior to beginning work, all contractors and subcontractors are required to provide specified contract award information to the apprenticeship committee for each applicable apprenticeable craft (Labor Code Section 1777.5 (e)).

The Division of Apprenticeship Standards (DAS) has a form available, known as the DAS 140 Form, which contains the information the contractor is required to provide.

**NOTE:** A separate DAS 140 Form must be used for each apprenticeable craft employed on the job by all contractors and subcontractors.

The DAS 140 Form shall be submitted to the applicable apprenticeship committee within ten (10) days of the date of the execution of the contract or subcontract, but in no event later than the first day in which the contractor has workers employed upon the project (CCR Section 230). At the same time, all contractors and subcontractors shall submit a copy of their completed DAS 140 Form to the Labor Compliance Department as follows (Labor Code Section 1777.5(e)):

Los Angeles Unified School District  
Labor Compliance Department  
333 South Beaudry Ave., 19<sup>th</sup> Floor  
Los Angeles, CA 90017

### **Request and Employ State-Registered Apprentices**

All contractors and subcontractors must request the dispatch of apprentices from one of the applicable apprenticeship programs. The applicable apprenticeship committee must be given an actual notice of at least forty-eight (48) hours (excluding Saturdays, Sundays, and Holidays) before the date on which one or more apprentices are required. The DAS has a form (DAS 142 Form) available to request apprentices (CCR Section 230.1).

If a non-signatory contractor declines to abide by and comply with the terms of a local committee's standards, the apprenticeship committee shall not be required to dispatch apprentices to such contractor.

If, in response to a written request, an apprenticeship committee does not dispatch any apprentices to a contractor who has agreed to employ and train apprentices within seventy-two (72) hours of such request (excluding Saturdays, Sundays, and Holidays), the contractor shall not be considered in violation of the requirement to employ apprentices for the remainder of the project (CCR Section 230.1).

If an apprenticeship committee dispatches fewer apprentices than the contractor requested, the contractor will be considered in compliance if the contractor employs those apprentices who are dispatched, provided that, where there is more than one apprenticeship committee able and willing to unconditionally dispatch apprentices, a contractor who is not a participant in an apprenticeship program has requested dispatch from two committees (CCR Section 230.1).

### **Supervision of Apprentice(s)**

When utilizing apprentices under the rules and regulations of the California Apprenticeship Council, as set forth in Labor Code Section 1777.5(c)(2), apprentices employed on public works must at all times work with or under the direct supervision of journeyman/men. Apprentices without the supervision of journeyman/men shall be paid at the journey level rate determined by the Department of Industrial Relations for the classification of the work he/she actually performed (LCP Manual, July 2005, Section IV (B)(4), page 17).

**NOTE:** Apprentices employed on public works can only be assigned to perform work of the craft or trade to which the apprentices are registered. Otherwise, the journey level rate will apply.

### **Prevailing Wage Rate for Apprentices**

Apprentices shall be permitted to work and be employed at the apprentice wage rate only when they are registered under a bona fide apprenticeship program with a State apprenticeship agency which is recognized by the State Division of Apprenticeship Standards (DAS), (Labor Code Section 1777.5(c); LCP Manual, July 2005, Section IV (B), page 15).

Any worker listed on a payroll at an apprentice wage rate who is not registered shall be paid the journey level wage rate determined by the Department of Industrial Relations for the classification of the work he/she actually performed. (LCP Manual, July 2005, Section IV (B), page 15). The responsibility to ensure that all apprentices are registered falls on the contractor.

Pre-apprentice trainees, trainees in non-apprenticeable crafts, and apprentices whose registration is outside the prescribed geographical area are also not qualified to receive the apprentice rate and must be paid the journey level wage rate (LCP Manual, July 2005, Section IV (B), page 15).

### **Payment of Apprentice Training Contribution**

Contractors must contribute in the amount identified in the applicable Prevailing Wage Determination for all journeyman and apprentice hours worked to a training fund of the apprenticeship committee approved by the DAS or the California Apprenticeship Council (CAC) (LCP Manual, July 2005, Section IV (B)(3), page 16). To locate an apprenticeship program, go to the Division of Apprenticeship Standards website at the following link:

<http://www.dir.ca.gov/DAS/das.html>

**NOTE:** Please refer to Chapter 4 “Common Violations and How to Avoid Them” for detailed instructions regarding apprenticeship requirements.

## **Apprentice-to-Journeyman Ratio**

Pursuant to Labor Code Section 1777.5 and California Code of Regulations (CCR) Section 230.1, apprentices on public works must be employed according to the ratio set by the apprenticeship standards under which each Joint Apprenticeship Committee operates, but in no case shall the ratio be less than one (1) apprentice hour to each five (5) journeyman hours.

Apprenticeship ratios are calculated at the end of the project, or at the end of the subcontractor's portion of the project. This method has been confirmed by the Division of Labor Standards Enforcement, Department of Industrial Relations. In the event that the maximum apprentice-to-journeyman ratio has been exceeded at the end of the project, all apprentice hours above the ratio shall be reclassified as journeymen hours for the entire project and must be paid the journey level wage rate.

Pursuant to CCR Section 230.1(c), apprentices employed on public works must at all times work with or under the direct supervision of a journeyman for the purpose of training and for safety reasons. If no journeyman/men is present at any time, then all apprentices are to be considered journeymen for that time (LCP Manual, July 2005, Section IV (B)(4), page 17).

Pursuant to Labor Code Section 1777.5, the employment and training of apprentices must be in accordance with either:

- The apprenticeship standards and apprentice agreements under which he/she is training.
- The rules and regulations of the California Apprenticeship Council (CAC).

Therefore, not employing apprentices within the required ratios is a violation of the contractor's apprenticeship standards and agreement to facilitate the proper training of apprentices by journeymen and to maintain safety standards on the project. In the event that apprentices are improperly utilized, the contractor is violating the apprenticeship agreement which allows them to pay apprentice wages. Since the contractor is not properly utilizing such workers as apprentices, apprentices must be paid at the journey level wage rate. The penalty for this violation is up to fifty dollars (\$50) per worker, per calendar day.

### **Notification to the Division of Apprenticeship Standards (Labor Code Section 1773.3)**

Pursuant to Labor Code Section 1773.3, the District will report to the Division of Apprenticeship Standards within five (5) days of a finding of any discrepancy regarding the ratio of apprentices to journeymen.

The ratio of apprentice-to-journeyman for each trade/craft can be obtained by contacting the Division of Apprenticeship Standards as follows:

Division of Apprenticeship Standards  
320 W. 4<sup>th</sup> Street, Suite 830  
Los Angeles, CA 90013  
(213) 576-7750  
(213) 576-7758 (Fax)

Division of Apprenticeship Standards  
455 Golden Gate Ave., 10<sup>th</sup> Floor  
San Francisco, CA 94102  
(415) 703-4920  
(415) 703-5477 (Fax)

## Assessment of Penalties

The Los Angeles Unified School District’s goal is to assist contractors to stay in compliance with the Labor Code requirements. However, there are penalties required for contractors who fail to comply with the Labor Code requirements. Penalty assessments are as follows:

### **Labor Code Section 1775**

Failure to pay the prevailing wage rate is up to fifty dollars (\$50) per worker, per calendar day or portion thereof (LCP Manual, July 2005, Section VI (C)(2)(a), page 24).

**§ 1775 - Forfeiture for paying less than prevailing wage rates; Amount of penalty; Payments to workers; Liability of prime contractor; Notification of complaint**

(a)(1) The contractor and any subcontractor under the contractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than fifty dollars (\$50) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the director for the work or craft in which the worker is employed for any public work done under the contract by the contractor or, except as provided in subdivision (b), by any subcontractor under the contractor.

(2)(A) The amount of the penalty shall be determined by the Labor Commissioner based on consideration of both of the following:

(i) Whether the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) Whether the contractor or subcontractor has a prior record of failing to meet its prevailing wage obligations.

(B)(i) The penalty may not be less than ten dollars (\$10) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, unless the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) The penalty may not be less than twenty dollars (\$20) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the contractor or subcontractor has been assessed penalties within the previous three years for failing to meet its prevailing wage obligations on a separate contract, unless those penalties were subsequently withdrawn or overturned.

(iii) The penalty may not be less than thirty dollars (\$30) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the Labor Commissioner determines that the violation was willful, as defined in subdivision (c) of Section 1777.1.

(C) When the amount due under this section is collected from the contractor or subcontractor, any outstanding wage claim under Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 against that contractor or subcontractor shall be satisfied before applying that amount to the penalty imposed on that contractor or subcontractor pursuant to this section.

(D) The determination of the Labor Commissioner as to the amount of the penalty shall be reviewable only for abuse of discretion.

(E) The difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the contractor or subcontractor, and the body awarding the contract shall cause to be inserted in the contract a stipulation that this section will be complied with.

(b) If a worker employed by a subcontractor on a public works project is not paid the general prevailing rate of per diem wages by the subcontractor, the prime contractor of the project is not liable for any penalties under subdivision (a) unless the prime contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with all of the following requirements:

(1) The contract executed between the contractor and the subcontractor for the performance of work on the public works project shall include a copy of the provisions of Sections 1771, 1775, 1776, 1777.5, 1813, and 1815.

(2) The contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the subcontractor to the employees, by periodic review of the certified payroll records of the subcontractor.

(3) Upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages, the contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the subcontractor for work performed on the public works project.

(4) Prior to making final payment to the subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing rate of per diem wages to his or her employees on the public works project and any amounts due pursuant to Section 1813.

(c) The Division of Labor Standards Enforcement shall notify the contractor on a public works project within 15 days of the receipt by the Division of Labor Standards Enforcement of a complaint of the failure of a subcontractor on that public works project to pay workers the general prevailing rate of per diem wages.

### **Labor Code Section 1813**

Failure to pay the overtime prevailing wage rate is twenty-five dollars (\$25) per worker, per calendar day (LCP Manual, July 2005, Section VI (C)(2)(b), page 24).

#### **§ 1813 - Penalty when workman required to work excess hours; Stipulation in contract; Cognizance and report of violations**

The contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract, and shall report them to the Division of Labor Standards Enforcement.

### **Labor Code Section 1776(g)**

Failure to submit Certified Payroll Records to the District on a weekly basis is twenty-five dollars (\$25) per worker, per calendar day until strict compliance with Los Angeles Unified School District's contract requirements is effectuated.

#### **§ 1776 – Payroll Records of Wages Paid; Inspection; Form; Effect of noncompliance; Penalties**

- (a) Each contractor and subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:
- (1) The information contained in the payroll record is true and correct.
  - (2) The employer has complied with the requirements of Section 1771, 1811, and 1815 for any work performed by his or her employees on the public works project.
- (b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection

at all reasonable hours at the principle office of the contractor on the following basis:

- (1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.
  - (2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations.
  - (3) A certified copy of all records enumerated in subdivision (a) shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through either the body awarding the contract, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor, subcontractors, and the entity through which the request was made. The public may not be given access to the records at the principle office of the contractor.
- (c) The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the information as the forms provided by the division. The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain the same information as the forms provided by the division and the printouts are verified in the manner specified in subdivision (a).
  - (d) A contractor or subcontractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested the records within 10 days after receipt of a written request.
  - (e) Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's name and social security number. A joint labor management committee may maintain an action in a court of competent jurisdiction against an employer who fails to comply with Section 1774. The court may award restitution to an employee for unpaid wages and may award the joint labor management committee reasonable attorney's fees and costs incurred in maintaining the action. An action under this subdivision may not be based on the employer's misclassification of the craft of a worker on its certified payroll records. Nothing in this subdivision limits any other available remedies for a violation of this chapter.
  - (f) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.
  - (g) **The contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). In the event that the contractor or subcontractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.**
  - (h) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section.
  - (i) The director shall adopt rules consistent with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) governing the release of these records, including the establishment of reasonable fees to be charged for reproducing copies of records required by this section.

### **Labor Code Section 1777.7**

Failure to submit the Division of Apprenticeship Standards Form (DAS 140 Form) within ten (10) days of the date of the execution of the contract or subcontract, but in no event later than the first day in which the contractor has workers employed upon the project is one hundred dollars (\$100) for each full calendar day of noncompliance. A contractor or subcontractor that knowingly commits a second or subsequent violation of Labor Code Section 1777.5 within a three-year period, where the noncompliance results in apprenticeship training not being provided as required by the Labor Code, shall forfeit as a civil penalty the sum of not more than three hundred dollars (\$300) for each full calendar day of noncompliance, as per Labor Code Section 1777.7 (LCP Manual, July 2005, Section VI (C)(2)(c), page 25).

**§ 1777.7 – Penalties for noncompliance with provisions involving employment of apprentices**

(a)(1) A contractor or subcontractor that is determined by the Chief of the Division of Apprenticeship Standards to have knowingly violated Section 1777.5 shall forfeit as a civil penalty an amount not exceeding one hundred dollars (\$100) for each full calendar day of noncompliance. The amount of this penalty may be reduced by the Chief if the amount of the penalty would be disproportionate to the severity of the violation. A contractor or subcontractor that knowingly commits a second or subsequent violation of Section 1777.5 within a three-year period, where the noncompliance results in apprenticeship training not being provided as required by this chapter, shall forfeit as a civil penalty the sum of not more than three hundred dollars (\$300) for each full calendar day of noncompliance. Notwithstanding Section 1727, upon receipt of a determination that a civil penalty has been imposed by the Chief, the awarding body shall withhold the amount of the civil penalty from contract progress payments then due or to become due.