

AMENDED IN ASSEMBLY APRIL 26, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2390

Introduced by Assembly Member Buchanan

February 19, 2010

~~An act relating to public contracts.~~ *An act to amend Sections 3300 and 4104 of the Public Contract Code, relating to public contracts.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2390, as amended, Buchanan. ~~Public works: bidding requirements~~ *Public works projects: bidding practices: licenses and worker's compensation insurance.*

Existing law requires a public entity, the University of California, and the California State University to specify for inclusion in any plans and notice prepared for a public project the classification of the contractor's license, which a contractor is required to possess at the time a contract is awarded.

This bill would instead require the contractor to possess that license at the time the contractor makes a bid or offer to perform the work, and would also require a contractor to possess current, valid workers' compensation insurance at that time.

The Subletting and Subcontracting Fair Practices Act requires the entity taking bids for public works to specify that any person making a bid or offer set forth the name and location of the place of business of each subcontractor who will perform work or labor or render service to the prime contractor, or a subcontractor who, under subcontract to the prime contractor, specially fabricates and installs a portion of the work according to specifications, in an amount in excess of one-half of 1% of the prime contractor's total bid, or in the case of bids or offers

for the construction of streets or highways, including bridges, in an amount in excess of one-half of 1% of the prime contractor's total bid or \$10,000, whichever is greater.

This bill would instead require the person making a bid or offer to set forth, in addition to each subcontractor's name and business location, the current, valid license number issued by the State of California, and proof of current, valid worker's compensation insurance of each subcontractor who will perform work.

~~Existing law contains various provisions relating to the bidding process for public works projects.~~

~~This bill would state the intent of the Legislature to enact legislation that would require a contracting firm and a subcontracting firm to have a valid license and workers' compensation insurance at the time of submission of a bid for a public works construction project.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 3300 of the Public Contract Code is
2 amended to read:

3 3300. (a) Any public entity, as defined in Section 1100, the
4 University of California, and the California State University shall
5 specify the classification of the contractor's license, which a
6 contractor shall possess at the time ~~a contract is awarded~~ the
7 contractor makes a bid or offer to perform the work. The
8 specification shall be included in any plans prepared for a public
9 project and in any notice inviting bids required pursuant to this
10 code.

11 ~~This requirement shall apply only with respect to contractors
12 who contract directly with the public entity.~~

13 (b) A contractor shall possess current, valid workers'
14 compensation insurance at the time the contractor makes a bid or
15 offer to perform the work.

16 (b)

17 (c) A contractor who is not awarded a public contract because
18 of the failure of an entity, as defined in subdivision (a), to comply
19 with that subdivision shall not receive damages for the loss of the
20 contract.

1 SEC. 2. *Section 4104 of the Public Contract Code is amended*
2 *to read:*

3 4104. Any officer, department, board or commission taking
4 bids for the construction of any public work or improvement shall
5 provide in the specifications prepared for the work or improvement
6 or in the general conditions under which bids will be received for
7 ~~the doing of the work~~ incident to the public work or improvement
8 that any person making a bid or offer to perform the work; shall,
9 in his or her bid or offer, set forth:

10 (a) (1) ~~The name and the location of the place of, business~~
11 *location, current valid license number issued by the State of*
12 *California, and proof of current, valid workers' compensation*
13 *insurance* of each subcontractor who will perform ~~work or labor~~
14 ~~or work, labor, or~~ render service to the prime contractor in or about
15 the construction of the work or improvement, ~~or a subcontractor~~
16 ~~licensed by the State of California who, under subcontract to the~~
17 ~~prime contractor, specially fabricates and installs a portion of the~~
18 ~~work or improvement according to detailed drawings contained~~
19 ~~in the plans and specifications, in an amount in excess of one-half~~
20 ~~of 1 percent of the prime contractor's total bid or, in the case of~~
21 ~~bids or offers for the construction of streets or highways, including~~
22 ~~bridges, in excess of one-half of 1 percent of the prime contractor's~~
23 ~~total bid or ten thousand dollars (\$10,000), whichever is greater.~~

24 (2) (A) Subject to subparagraph (B), any information requested
25 by the officer, department, board, or commission concerning any
26 subcontractor who the prime contractor is required to list under
27 this subdivision, other than the subcontractor's name and location
28 of business, may be submitted by the prime contractor up to 24
29 hours after the deadline established by the officer, department,
30 board, or commission for receipt of bids by prime contractors.

31 (B) A state or local agency may implement subparagraph (A)
32 at its option.

33 (b) The portion of the work that will be done by each
34 subcontractor under this act. The prime contractor shall list only
35 one subcontractor for each portion as is defined by the prime
36 contractor in his or her bid.

37 ~~SECTION 1. It is the intent of the Legislature to enact~~
38 ~~legislation that would require a contracting firm and a~~
39 ~~subcontracting firm to have a valid license and workers'~~

- 1 ~~compensation insurance at the time of submission of a bid for a~~
- 2 ~~public works construction project.~~

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