



OUR 52ND YEAR

CONTRA COSTA CHAPTER

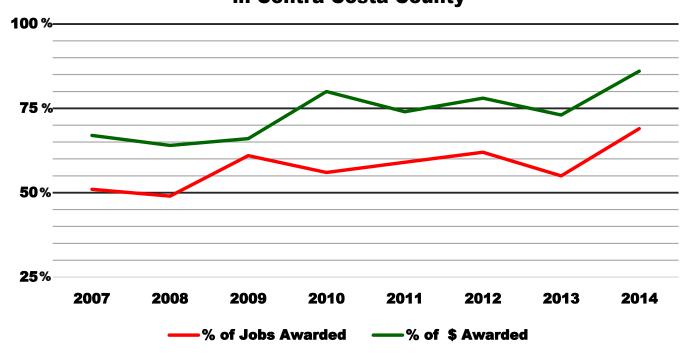
February 2015

Public Works Update

LOCAL MARKET SHARE

Although somewhat difficult to measure, our Public Works market share continues to show improvement. At the Chapter Meeting last week, Tim Pangilla, our LMCC Compliance Facilitator, presented his 2015 Report, which contains a lot of good information, from overall trends down to the individual jobs that were awarded by municipality. At the risk of oversimplification, we present what we believe is the most important — the percentage of public works electrical jobs and the percentage of public works electrical dollars that went to our signatory contractors.

NECA-IBEW Market Share of Public Works Projects in Contra Costa County



We are continuing to tweak our statistical information to make it as accurate as possible. We have been using 15% of the General Contractors Bid as the baseline electrical portion of jobs (including Sound and Communication) for public facilities and water district projects and 3-7% for road projects. We do this even if we know the actual electrical number because we do not want to risk divulging proprietary information. We have back-tested this method several times over the years. While individual jobs vary, in aggregate the numbers seem to reflect what is happening. If you have suggestions for improving our methodology, please let us know.

Public Works Contractor Registration Now Required

Our members that pursue state public works contracts will be subject to a registration and annual renewal fee (\$300) under a provision that was passed as part of the State Budget last summer. Under the new provision, no contractor or subcontractor will be qualified to bid on, be listed on, or engage in a contract for a state public works if they are not registered with the state as a public works contractor. The additional revenue will be utilized by the Department of Industrial Relations. The requirement to list only registered contractors and subcontractors becomes effective on March 1, 2015. The requirement to use only registered contractors and subcontractors will apply to all projects awarded after April 1, 2015. If you have not yet registered, click here to be directed to the internet site where you can complete and file your Public Works Contractor Registration Affidavit.

The registration process will have the effect of strengthening the public works law by screening out bad players. Contractors and subcontractors may not have any outstanding unpaid wage or penalty assessments due to any employee or agency. It appears that the Certified Payroll Reporting process will get more scrutiny by the state as you will be sending your CPR's directly to the State Labor Commissioner for most projects awarded after April 1. See the linked review and discussion from Eddie Bernacchi, our legislative advocate in Sacramento, and the link to the actual revisions to the Labor Code.



March 1, 2015, the requirement to list only registered contractors and subcontractors becomes effective.

The requirement to use only registered contractors and subcontractors will apply to all projects awarded after April 1, 2015.

Public Works Apprentice Requirements

One area of law that has received increased scrutiny over the past several years is the use of apprentices on public jobs. Section 230.1 of the California Code of Regulations requires one hour of work performed by an apprentice for every five hours of labor performed by a journeyman. Depending on your math, this means that a minimum of 16.67% (1 in 6) to 20% (1 in 5) of all your hours should be apprentice hours. There are some exceptions, (jobs under 40 hours) but we are seeing this requirement enforced by general contractors (withholding payments) and third-party compliance groups more and more. Also be aware that you are required to send DAS form 140 to the JATC in the area where the work is to be performed as soon as you are awarded a job.

Definition of "Substantially Complex"

Finally, one piece of legislation NECA successfully lobbied for last year was <u>AB1705</u>. Those of you involved with public work projects have found that virtually every public contracting entity had been declaring their projects "substantially complex" thereby skirting the recent law that moved retention from 10% to 5%. They can still do it, but they will have some "splainin" to do.

ANNUAL CAL/OSHA POSTING REQUIREMENT

Employers To Post Annual Work-Related and Illness Summaries

Most employers with 11 or more employees are required to post a summary of the total number of job-related injuries and illnesses that occurred during 2014 (Cal/OSHA form 300A) from February 1 through April 30, 2015, in a common area wherever notices to employees are usually posted. Employers are also required to make a copy of the 2014 summary available to employees who move from worksite to worksite, such as in construction. Such information must be recorded on a workplace posting and be placed in a visible and easily accessible area at each worksite.

Below we have provided a number of useful links:

Employer's Posting Requirements and How to Reduce Workplace Injuries and Illnesses

Forms and Instructions & Cal/OSHA Forms 300, 300A and 301 (Excel Spreadsheet)

Safety and Health On The Job (Required Posting)

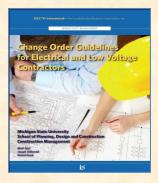
NOTE: Employers are required to post these summaries even if there were not any workplace injury occurrences. All current and former employees, as well as employee representatives, must be allowed to review any injury or illness that took place at the worksite during 2014.

NEW ELECTRI INTERNATIONAL RESEARCH PROJECT IS NOW AVAILABLE TO NECA MEMBERS

<u>Change Order Guidelines</u> <u>for Electrical and Low Voltage Contractors</u>

The main purpose of this ELECTRI project was to develop change order guidelines for electrical and low voltage contractors that will provide a systematic and fair process for the pricing of change orders. It identifies various cost categories and investigates overhead-profit practices. It also identifies various impact factors and methods used to calculate associated consequential costs due to impact factors that are difficult to identify and become a source of conflict and controversy when included in a change order.

Based on the full report, ELECTRI has also published a "Change Order Guidelines: Quick Reference." This quick reference may be used separately from the report to include with proposals and/or contracts to your customers for clarification in the understanding of guiding principles and impact factors common to change orders.



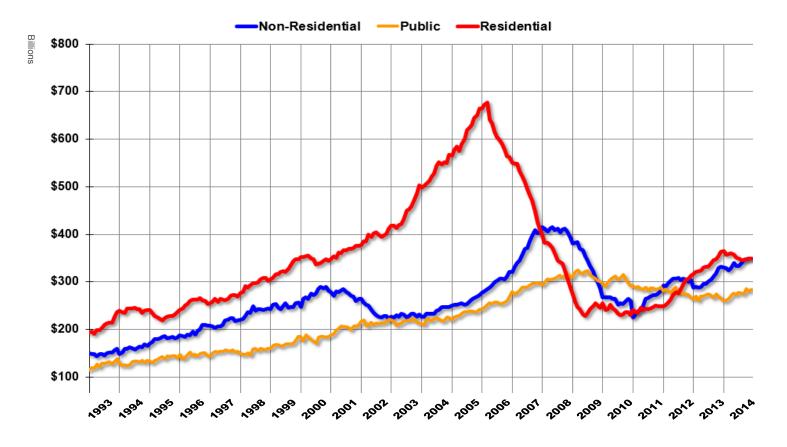
View Summary Flyer Here

Both publications may be obtained from the NECA store using the following links:

Change Order Guidelines for Electrical and Low Voltage Contractors
Change Order Guidelines: Quick Reference

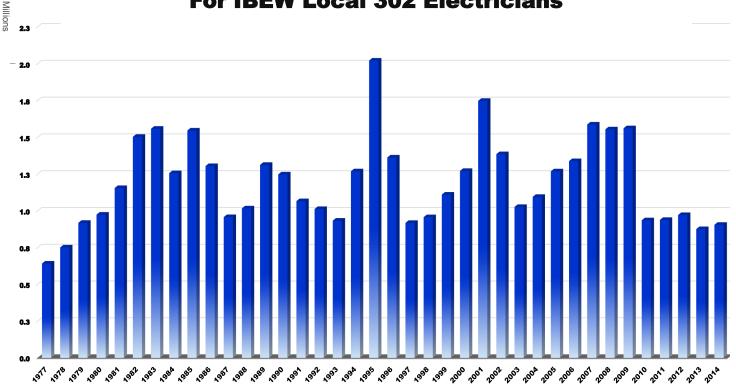
CONSTRUCTION SPENDING

In The United States



CONSTRUCTION MANHOURS

For IBEW Local 302 Electricians



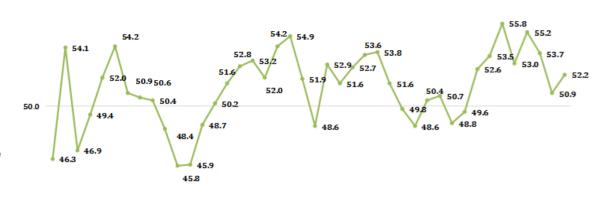
Architecture Billings Index Rebounds to End 2014 on Solid Footing

There were ten out of twelve months of increasing demand for design services in 2014, and the Architecture Billings Index (ABI) points to a healthy outlook for the nonresidential construction industry. As a leading economic indicator of construction activity, the ABI reflects the approximate nine to twelve month lead time between architecture billings and construction spending. The American Institute of Architects (AIA) reported the December ABI score was 52.2, up read more

November ABI 52.2

60.0

Any score above 50 indicates an increase and score below indicates a decline.





SYNERGY eLinks				
Largest Electrical Contractors in the Bay Area	<u>Labor Code Revision</u>			
Largest Bay Area Construction Projects	AB1705—Substantially Complex			
2015 Report / Individual Jobs	NECA Store			
Public Works Contractor Registration Site	Retirement Trust—Plan Related Information for Financial Statements Disclosure			
Employment of Apprentices on Public Works	Personal Best			



Sun	Mon	Tue	Wed	Thur	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12 S & C INTERVIEWS 10:00 a.m. Training Center Martinez	13 OFF DAY	14
15	16 PRESIDENTS DAY	17	18	19 JATC 3:00 p.m.	20	21
22	23	24	25	26 RETIREMENT TRUST 10:00 a.m.	27 INDUSTRY TRUST 11:45 a.m.	28

