Welcome

One thing about SCCA that you may not know about – it knows HOW to throw a party! Wow! Over 150 guests attended SCCA’s PAC Auction on Saturday May 6 at the Queen Mary and it was an absolute blast. Sure it raised tens of thousands of dollars for the PAC, but the event was just downright fun. I certainly look forward to next year’s event (and hopefully win the raffle for that cool quad-copter)!

Shifting gears, we have lots of great information and insight in this issue. There are a couple of updates from the Contractors State License Board and a very compelling editorial piece that (surprisingly) declares that the passage of SB 30 would make the state a bully against contractors.

Enjoy this issue!

Rumor Has It...

That Assemblymember Travis Allen has launched a referendum of Senate Bill 1, the recently passed transportation funding bill support by SCCA.

Fact Check

The referendum has been filed with the Secretary of State’s office. The key with any ballot measure or referendum is that it needs significant financing to ultimately make it to the ballot for voters to have a say…That means the real question here, just like with most politics, where is the money going to come from to put this on the ballot?
Berkeley Balcony Collapse Results In Contractor’s License Revoked

The California State Contractors License Board (CSLB) reached a settlement with Segue Construction, Inc., the general contractor on the Berkeley Balcony project that resulted in their contractor’s license being revoked for 5 years. The revocation becomes effective May 19th. According to a representative from CSLB, this is the maximum penalty that can be levied on a company and any application for reissuance or reinstatement is not automatic.

The CSLB states that, “there is a ‘Criteria for Rehabilitation’ that CSLB considers when it receives an application for reissuance or reinstatement.” This means that anyone associated with Segue Construction (whether it is the company or individuals) that wishes to seek reinstatement or reissuance must be closely evaluated prior to CSLB making a determination.

The settlement also included fines levied against two top Segue Construction officers holding them liable for reimbursing CSLB for investigative costs associated with the case. At the same time, a partial settlement has been reached between plaintiffs and Segue Construction while a trial date has been set for early next year.

This tragic accident was the nexus for 2015 legislation that would have required contractors to disclose and civil settlements to the CSLB. SCCA opposed that measure and it was ultimately amended to study the issue.

The collapse also is the impetus for a 2017 bill requiring all residential balconies to be inspected every several years. This is similar to elevator conveyance inspections. SCCA is neutral on that bill, SB 721 (Hill).

Public Contractor Early Renewal Now Open

Public works contractors that are registered with the Department of Industrial Relations (DIR) for the current fiscal year, may now renew their registration for the next fiscal year that starts on July 1, 2017. DIR has an online registration system that contractors can utilize to renew and pay for their registration ($300).

DIR does note that, “Registered contractors who fail to renew by July 1, but continue working on public works after that date will be subject to late fees and potential penalties.” You can contract DIR directly through their website at www.dir.ca.gov.

Senate Bill 486 Passes First Two Committees; Moves to Senate Floor for Vote

Senate Bill 486 by Senator Bill Monning (D-Carmel) passed the Senate Judiciary and Appropriations Committees and now waits for a vote of the full Senate to continue to move forward.

SB 486 would authorize the Contractors State License Board (CSLB) to issue letters of admonishment under certain circumstances. Currently, the CSLB only has authority to revoke a license or issue a citation. This does not offer much flexibility for the CSLB to exercise should reasonable situations arise that do not call for either a citation or a revoked license.

The bill also prescribes an appeals process for a licensee, applicant or registrant to contest the letter of admonishment. There is significant complexity in licensing a construction contractor compared to many other professions that fall under the Department of Consumer Affairs, as the CSLB does. There are few similarities between the licensures of doctors, nurses and geologists with contractors.

SB 486 recognizes this complexity of the Contractors’ License Law and assists with compliance instead of punitively disciplining a licensee, applicant or registrant for minor violations or even omissions.
David Fогt Named as Registrar for the Contractors State License Board

With David Fогt being named the new Registrar of Contractors for the Contractors State License Board (CSLB) he becomes the first contractor to lead board operations in 20 years. Mr. Fогt began his career with CSLB in 1990 as Deputy Registrar Contractor and has worked with increasing responsibilities.

Mr. Fогt now takes over the day-to-day leadership of CSLB’s more than 400 employees and field offices around the state, with direct oversight of the Board’s $60 million budget, operating policies and procedures, and executive team.

“I embrace this new challenge, and thank the Board for placing its confidence in me,” said Fогt.

“I look forward to continuing our important consumer protection work, while establishing even more streamlined processes for contractors to get and maintain their license.”

SCCA looks forward to working with Mr. Fогt in the coming years.

Sacramento Bee Editorial Board Weighs in on Senator Ricardo Lara’s “Border Bill”

Senate Bill 30 by Senator Lara (D – Bell Gardens) blacklists contractors for bidding on California public works projects if they contribute to the construction of a southern border wall.

SCCA is opposed to this measure based on several grounds. Two of the prime reasons are because it will lead to delays in construction due to increases in bid protests. The second, which is more of a philosophical reason, is due to the politicization of the Public Contracting Code.

The Sacramento Bee editorial calls into question the far-reaching implications of SB 30. For example, it is reasonable to assume that heavy equipment would be needed to complete construction. This means that companies that own and operate bulldozers and cranes would be on the list of companies that provided services to build the wall, therefore, they are unable to secure a contract with the state for any other projects. Taken one step further – those bulldozers and cranes need fuel to operate. This means that most likely this boycott would extend to oil companies -- which also currently fuel state vehicles.

In short, SB 30 has very far-reaching impacts that may not have been intended or initially understood. The broad language included in the bill seems to show that every aspect of state contracting will be affected by SB 30.

You can get a closer look at the full editorial by clicking here.

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