

URCA Viewpoint



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NEWS AND VIEWS FOR THE UNION ROOFER

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Compliance Group Committed to Labor Standards Enforcement

In 2008 the Southern California Labor Compliance (SCLC) was created by and between Local 36 and Local 220 of the United Union of Roofers, Waterproofers and Allied Workers and the Union Roofing Contractors Association as a Labor Management Trust pursuant to the Labor Management Cooperation Act of 1978.

SCLC is committed to the enforcement of labor standards on roofing and waterproofing projects performed in Southern California. The SCLC monitors public and privately funded projects from bidding through project award and construction, always seeking to maintain fairness to all contractors, thus creating a level playing field for all

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Labor Commissioner Reinvigorates Public Works Enforcement

California Labor Commissioner Julie Su has lived up to her earlier pronouncements that she and her staff would be working diligently to eradicate the “underground” economy, which has run rampant within the construction industry for several years. The Labor Commissioner’s office, also known as the Division of Labor Standards Enforcement (DLSE), adjudicates wage claims, investigates discrimination and public works complaints and enforces state labor law.

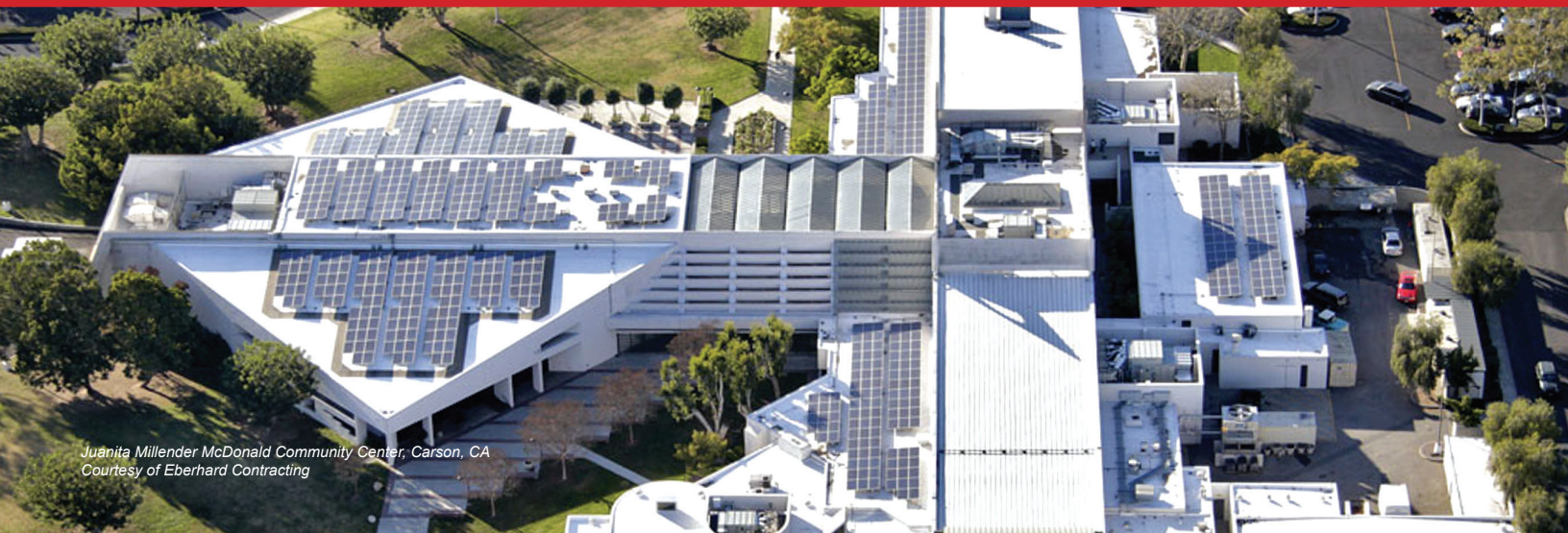
Most recently, the Commissioner’s office ordered a Fontana based subcontractor to pay \$129, 562 in



wages, \$47,575 in prevailing wage fines and \$28,700 in apprenticeship fines for work performed at California State University, Los Angeles.

The Commissioner’s Office uncovered evidence establishing that the subcontractor willfully

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Juanita Millender McDonald Community Center, Carson, CA
Courtesy of Eberhard Contracting



Ronald D. Johnston, Ph.D.
Executive Director



Ron Johnston Accepting a certificate and a \$1,000 check from the **Roofing Consultants Institute** on behalf of the **Don Banks Memorial Scholarship Fund**.

At its March Board Meeting the Association's Board of Directors approved the Executive Director's recommendations to monitor and advocate either in support or opposition the following bills:

AB 164 (Wiekowski)- SUPPORT: This bill addresses Private Public Partnership (3 P's) projects, whereby a lease agreement between a governmental agency undertaking an infrastructure project and private entity must include both performance and payment bonds. On May 16th the Assembly Floor passed the bill 73-0 and it was sent to the Senate Committee on Governance and Finance where it passed out of committee on June 12th by a vote of 6-0.

AB 127 (Skinner)- OPPOSE: Existing law authorizes the State Energy Resources Conservation Development Commission to adopt regulations pertaining to urea formaldehyde foam insulation materials that are reasonably necessary to protect public health and safety. This bill would propose for adoption by the Commission updated flammability standards that would accomplish "certain things," including maintaining overall building fire safety while giving "full consideration" to the long-term human and ecological health impacts associated with chemical flame retardants. URCA opposes this bill on the basis that delegating this authority to an agency not traditionally tasked with conducting chemical safety assessments could lead to unwarranted regulations, potentially resulting in reduced energy efficiency of buildings, inflated construction costs, and increased fire danger. On May 30th, the Assembly Floor passed the bill 49 - 26 and it has been sent to the Senate Rules Committee for assignment.

AB 536 (Wagner)- SUPPORT: Existing law allows specified persons to withhold from a contractor or subcontractor no more than 150% of a disputed amount if there is a good faith dispute over the amount due on a contract payment. This bill would exclude specified amounts from being considered "disputed amounts." On April 16th, the author pulled the bill and it is

now a two (2) year bill.

SB 7 (Steinberg)- SUPPORT: This bill would prohibit a charter city from receiving or using state funding for a construction project if the city has a charter provision that authorizes a contractor to not comply with existing prevailing wage provisions on any public works contract. On May 28th the Senate Floor passed the bill 28-10 and it was sent to the Assembly for assignment.

SB 616 (Wright)- OPPOSED UNLESS AMENDED: Existing law requires a direct contractor that is awarded a public works contract involving an expenditure greater than \$25,000 to provide a payment bond. This would, until January 1, 2017, exempt the Los Angeles Unified School District (LAUSD) from this provision when the district enters into a public works contract in an amount less than \$1,000,000 with a contractor that is a small business or micro business as defined. The American Subcontractors Association of California (ASAC) Governmental Relations Committee took an opposed position unless the threshold was reduced from \$1,000,000 to \$100,000. The URCA board concurred. LAUSD has pulled the bill to make it a two (2) year bill and has made it very clear that the district is willing to work with industry leaders to make the bill compatible to all interested parties. ASAC has formed a task force to work with LAUSD officials. URCA's Executive Director is a member of that task force.

SB 621 (Gaines)- SUPPORT: This bill would require the California Air Resources Board (CARB) to amend specified regulation relating to the emissions restrictions of diesel particulate matter, NOX and other criteria pollutants from in-use diesel fueled vehicles to extend by five (5) years various compliance dates applicable to those vehicles.

This bill failed to pass out of the Senate Transportation and Housing Committee on April 9th. As a matter of professional courtesy the committee granted the author "reconsideration" but, in essence, this bill is "dead

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Labor Commissioner Continued

violated public works laws underpaying its workers approximately \$16.00 per hour. In addition, the subcontractor failed to employ the proper amount of apprentices as required by law.

Furthermore, the Commissioner's Office reached settlements totaling over



California Labor Commissioner - Julie Su

\$600,000 with four general contractors in Northern California on four separate public works jobs. The settlements were for

civil wage and penalty assessments based on the failure to pay 31 workers prevailing wages and related labor law violations. Three general contractors were held liable for a subcontractor's wage violations and penalties as a result of the violations. The fourth general contractor was found guilty of not paying three carpentry workers who were not paid for all hours worked and were forced to pay kickbacks on every paycheck to their general contractor employer.

In Southern California, the Commissioner's Office issued citations regarding prevailing wage and overtime pay violations, as well as apprenticeship violations totaling \$750,000 to four general contractors and their subcontractors on four public works projects. It is clear that the Commissioner's office is intent on going after both general contractors and subcon

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Executive Director Report Continued

in the water."

SB 626 (Beall)- (OPPOSE): This bill would have undermined the 2012 reform legislation (SB 863) that was agreed to by both labor and business and signed into law. This bill would be extremely costly to small business' and was vehemently opposed by the California State Chamber of Commerce, the California Small Business Association, as well as numerous professional and trade associations including URCA. This opposition led to the author to pull the bill out of the legislative process for consideration.



Compliance Continued

contractors. If contractors do not obey the law, they obtain an unfair advantage over law-abiding contractors.

Since inception, the SCLC's legal counsel has filed two class action suits on behalf of employees of companies that have violated employee rights through unfair labor practices including not paying the correct prevailing wage, cash pay, and misclassifying employees to gain an unfair advantage regarding workers' compensation insurance premiums. Furthermore, the SCLC has filed briefs with several local and state agencies including LAUSD, OSHA and DAS alleging various labor violations that have led to over \$800,000 in fines against fifty (50) contractor violators.

The SCLC will continue to seek out unscrupulous contractors who employ unfair business practices.



The 2013 Roofing Consultants Institute Southern California Chapter Golf Tournament was again a sold out success. Held for the last two years at the beautiful Tustin Golf Club, the tourney

raised funds for RCI and its charities including a \$1,000.00 donation to the Don Banks Memorial Scholarship fund which is administered

by URCA member contractors. Each year the Don Banks scholarship fund awards \$16,500 in scholarships to employees and members of their immediate families of URCA contractors.



Left to Right, Pat Hoffman (Stone Roofing) Hector Alarcon (Courtney Waterproofing), Ron Johnston (URCA), and Andrew Larson (D-7 Consulting).



Labor Commissioner Continued

tractors who fail to pay the proper prevailing wage and overtime wages, as well as not paying the appropriate apprenticeship training contributions.

“In 2012, my Public Works team assessed \$25 million in wages and civil penalties, the highest amount in a decade,” said Commissioner Su. “We are going to make sure that those who break the law pay and those who comply with prevailing wage laws know that the State is on their side.”

If contractors do not obey the law, they obtain an unfair advantage over law-abiding contractors.

Julie Su was appointed by Governor Jerry Brown in April 2011 as California Labor Commissioner to lead DIR’s

Division of Labor Standards Enforcement (DLSE). Prior to her appointment, Su served as the Litigation Director at the Asian Pacific American Legal Center, the nation’s largest non-profit civil rights organization devoted to issues affecting the Asian American community. She is a graduate of Stanford University and Harvard Law School.



Upcoming Issue of Viewpoint

- *Featuring The 2013 Q Award Honoring The Pacific Design Center’s RedBuilding*
- *URCA Legislative Action Update*



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***CHAIRMAN, **SECRETARY-TREASURER**

The mission of the Union Roofing Contractors Association is to promote quality construction utilizing highly trained and skilled employees. The URCA is dedicated to the highest standards of professional integrity.

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