



## **SACRAMENTO UPDATE**

June 25, 2010  
SU15 -10

### **Bill Activity**

**AB 2060 (Calderon)** – GSBE co-sponsored legislation hit a snag this week when the chair of the Senate Revenue and Taxation objected to this legislation which allows for prospective protection for fix-priced contracts should future state sales tax increases be implemented. This bill was pulled for hearing and efforts are underway to allow for mandatory change orders for public works contracts between the state and local agencies should the contract terms change mid-stream. Several procedural hurdles need to be overcome to continue with the legislation this year which we are seeking to resolve.

**AB 2627 (Nielsen)** – After losing “good faith” with respect to DVBE requirements during last year’s budget negotiations, efforts to reinstate provisions were met with opposition from the DVBE community and key legislators wishing not to run afoul veterans organizations. Recently amended AB 2627 (which was amended in committee again this week) would allow a contractor to meet the 3% DVBE goal by combining both public and private contract work and include the use of in-house DVBE in meeting requirements.

As amended, this measure will allow the Department of General Services to approve business utilization plans for construction contracts. A business utilization plan is an additional way for contractors to meet the DVBE 3% participation requirement on their bids. Due to the enactment of AB 21 x4 last year, all departments are now required to meet 3% participation in their contracting programs.

The legislation would provide this to be accomplished by each contract having a 3% DVBE participation requirement in order for the bid to be responsive, or the company can submit a business utilization plan to DGS. The plan requires the contractor to estimate their total statewide contract dollars and commit to expend a minimum of 3% of those dollars on services from DVBE firms.

These DVBE firms can provide indirect services, such as health insurance, janitorial services, landscaping, accounting and other such services, as long as the DVBE firm is certified with DGS.

**AB 569 (Emmerson)** – Passed by the Senate Labor and Employment Committee, this bill excludes commercial drivers and construction employees covered by a collective bargaining agreement from Labor Code 512, which would side-step the question of the provision of a meal period for other employees in these industries. Existing law requires, with certain exemptions, that all employees receive a meal break of 30 minutes before the start of the 5th hour of work, unless the work period is no more than six hours and both the employer and the employee choose to waive the meal period by mutual consent. A number of employer groups oppose the legislation indicating the bill should be expanded to cover all employees, not just those singled out in this bill.

### **Bill to be amended to Protect Plans Rooms**

AB 2036 (B. Berryhill) will be amended next week to protect plans rooms from local governments who have either begun or intend to charge for paper and electronic plans.

Amend to read as:

*Add Section 4104.7 to the Public Contracts Code to read:*

*4104.7 Any officer, department, board or commission taking bids for the construction of any public work or improvement shall ensure that a sufficient number of paper or electronic copies of the project's contract documents, including all drawings, plans, specifications, and estimated total costs of the proposed public improvement are made available for distribution at no charge to prospective bidders, subcontractor bidders, suppliers, **and contractor plan room services**. If a deposit is required as part of a paper contract documents distribution policy by the public owner, the deposit shall not exceed two hundred fifty dollars per set which shall be refunded upon the return of the contract documents within fourteen days after the award of the project. If the contract documents are not returned in a timely manner and in reusable condition, the deposit shall be forfeited. The government entity shall reimburse any landscape architect, architect, or professional engineer for the actual costs of preparation and distribution of plans and specifications.*

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