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NEW LAWS IN 2016

If you have any further questions regarding construction related issues, please do not hesitate to contact Kevin T. Cauley, Esq. at (619) 236-8821 or by email at kevin@sscmlegal.com.

Public works contracts: damages

Provides that a public works contract entered into on or after January 1, 2016, that contains a clause expressly requiring a contractor to be responsible for delay damages is not enforceable unless the delay damages have been liquidated to a set amount and identified in the public works contract.

Contractor's State License Board

California law (Business and Professions Code section 7071.6) requires all contractors to have either a contractor's bond or cash deposit filed with the Contractor's State License Board (CSLB).

On January 1, 2016, the amount of the bond is increasing \$12,500 to \$15,000. CSLB urges all contractors to make sure they've got their new bond or cash deposit in-place by that date.

Construction Manager/General Contractor method: regional transportation agencies

Authorizes regional transportation agencies to use the Construction Manager/General Contractor project delivery method to design and construct certain expressways that are not on the state highway system.

Local Agency Public Construction Act: job order contracting

Extends authorization for "job order contracting", now authorized only for the Los Angeles Unified School District, to all school districts until January 1, 2022 only if the school district has entered into a project labor agreement, or agreements that will apply to all public works in excess of \$25,000 undertaken by the school district through at least December 31, 2021, regardless of what contracting procedure is used to award that work.

School facilities: leasing property: construction contracts

Requires any lease-leaseback contract for school construction over \$1 million to contain requirements to use a skilled workforce by employing at least 30% journeymen who have graduated from approved apprenticeship programs for contracts entered into after January 1, 2016.

School facilities: design-build contracts

Effective July 1, 2016. Replaces current design-build authorization for school districts with the provisions in SB 785, and lowers the threshold to projects in excess of \$1 million. 20% skilled workforce requirements.

Local agency design-build projects: transit districts

Authorizes the San Diego Association of Governments to use design build for projects adjacent, or physically or functionally related, to transit facilities developed by the association. 20% skilled workforce requirements.

Competitive bidding: best value: pilot program: design-build

Establishes a pilot program to allow certain counties, including San Diego, to select a bidder on the basis of best value for construction projects in excess of \$1,000,000. 20% skilled workforce requirements.

California Environmental Quality Act: exemption: roadway improvement.

Exempts until January 1, 2020, repairs, maintenance or minor alterations to existing roads from the California Environmental Quality Act if the project is carried out by a city or county with a population of less than 100,000.

California Disabled Veteran Business Enterprise Program

Authorizes a spouse or child of a disabled veteran to enter into additional state contracts during the existing 3 year designated extension following the death or permanent disability of the owner of a certified disabled veteran owned business enterprise (DVBE).