



Bay Cities Paving & Grading, Inc., (hereinafter “Contractor”) with its principal office located at **1450 Civic Court, Bldg. B #400, Concord, CA** and **XXXX** (hereinafter “Trucker”) located at **XXXX** are entering into this Agreement dated **XXX** with the intent and understanding that it will serve as a master agreement for all projects for which Contractor engages Trucker. Use of a master agreement will prevent the parties having to negotiate and execute a new and separate agreement for each project. Instead, for each project on which Trucker is engaged, a Truck Order will be executed by both parties. The parties agree that this Agreement, without further action, will govern all projects for which Contractor issues a Truck Order. Each Truck Order will contain specific project information.

CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTORS STATE LICENSE BOARD, WHICH HAS JURISDICTION TO INVESTIGATE COMPLAINTS AGAINST CONTRACTORS IF A COMPLAINT REGARDING A PATENT ACT OR OMISSION IS FILED WITHIN FOUR YEARS OF THE DATE OF THE ALLEGED VIOLATION. A COMPLAINT REGARDING A LATENT ACT OR OMISSION PERTAINING TO STRUCTURAL DEFECTS MUST BE FILED WITHIN 10 YEARS OF THE DATE OF THE ALLEGED VIOLATION. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS STATE LICENSE BOARD, P.O. BOX 26000, SACRAMENTO, CA 95826.

Executed on this _____ day of _____, 20____, at _____, California.

CONTRACTOR NAME:
Bay Cities Paving & Grading, Inc.

TRUCKER NAME:

By: _____

California License No.: 238650

DIR Reg. No.: 1000005981

By: _____

DIR Reg. No. _____

BY SIGNING ABOVE, THE PARTIES AGREE TO BE BOUND BY ALL SUCH TERMS AND CONDITIONS OF THE MASTER TRUCKING AGREEMENT.



TERMS AND CONDITIONS

A. MASTER AGREEMENT; CONTRACT DOCUMENTS AND COMPLIANCE. Contractor and Trucker are entering into this Agreement with the intent and understanding that it will serve as a master Agreement governing all future purchases of trucking services from Trucker. For purposes of this Agreement, the term "Work" means any and all trucking and delivery services required of Trucker by Contractor, including any sweeping or water truck work, and includes all other labor, materials, equipment delivery, and services provided or to be provided by Trucker to fulfill Trucker's and its sub-haulers' obligations. For purposes of this Agreement, the "Project" refers to the project identified in the Truck Order.

This Agreement does not obligate Contractor to request that Trucker perform, or require Contractor to hire Trucker to perform, Work on any specific project. Contractor may hire other Truckers even where Trucker is providing services. Should Contractor desire that Trucker perform Work on a project to which this Agreement shall be applicable, it shall furnish a Truck Order and Trucker shall communicate its acceptance, as set forth below. Trucker shall be deemed to have accepted the Truck Order in the following situations after receipt of the same: (1) Trucker communicates acceptance either orally or in writing; (2) Trucker commences performance of the Work at the project to which the Truck Order relates. The Truck Order will include terms, conditions, information and descriptions applicable to the specific project on which Trucker is to perform work. In the event of any conflict, inconsistency or ambiguity between the terms and provisions of the Truck Order, on the one hand, and the Agreement or any Contract Documents, on the other hand, the Truck Order shall take precedence. However, wherever possible the documents will be construed to avoid such a conflict. Contractor and Trucker agree that Trucker shall perform the Work, in accordance with the terms and conditions and the Contract Documents. In the event Contractor fails to issue a Truck Order, or the Truck Order is not fully executed, any Work performed by Trucker at the request of Contractor shall nonetheless be governed by this Agreement.

This document represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, proposals, stipulations, or Agreements, either written or oral, including, without limitation, Trucker's invoices, bid form or proposal. All prior or contemporaneous agreements to be included in this Agreement are expressly identified herein. No agent or representative of either party has authority to make, and the parties shall not be bound by or liable for, any statement, representation, promise or Agreement not set forth herein. No changes, amendments or modifications to the terms of this Agreement shall be valid unless reduced to writing and signed by both parties.

In the event that Contractor's contract is with a contractor, not Owner, then the term "Prime Contract" shall refer to and include all of documents comprising the agreement between the contractor and the Owner, as well as all of the documents comprising Contractor's own contract in connection with the Project. The "Contract Documents" consist of (1) this Agreement; (2) the Project specifications, plans and other relevant documents, including the Prime Contract between the Contractor and the Owner (collectively the "Prime Contract"); (3) other documents attached to the Truck Order or incorporated into this Agreement; and (4) modifications to the Truck Order issued after its execution. The Contract



Documents are incorporated into this Agreement by reference, and Trucker and its subcontractors and suppliers shall be bound to Contractor in the same manner and to the same extent as Contractor is bound by the Contract Documents. In addition to any other rights and remedies it may have, Contractor shall have the same rights and remedies with respect to Trucker that Owner has with respect to Contractor. Where, in the Contract Documents, reference is made to Contractor and the Work or specifications therein pertain to Trucker's trade, craft, type of work, or scope, such work or specifications shall be interpreted to apply to Trucker instead of to Contractor.

Trucker agrees to comply with the Prime Contract and perform all provisions thereof in any way applicable to Trucker. Trucker further certifies that it is fully familiar with the trucking services to be provided and the type of conditions under which the Work is to be performed and shall ensure that all haul routes utilized, and loads are safe and legal and that all equipment is adequate for the Work, licensed, registered and in a safe condition. Trucker represents that it has conducted its own independent investigation with respect to such matters and is not relying upon any representation or information from Contractor.

B. PAYMENT. Trucker shall be paid at the rate specified in the Truck Order for the project on which the Work is performed. As a condition precedent to payment, Trucker shall comply with Section R of this Agreement and furnish on a daily basis a "truck tag", for itself, its subcontractors and subhaulers, which will serve as the basic account record. Trucker shall complete the truck tag accurately, identifying all items of work performed and hours associated with each item. The time should be clearly tracked and separated between prevailing wage work and non-prevailing wage work and obtain all necessary signatures and deliver the truck tag for each day's operation to Contractor no later than end of each shift on the day the Work was performed. Trucker shall in addition submit timely and accurate invoices that properly and separately track charges for each project. Invoices shall include all applicable truck tags, receipts and shall provide the following information in a clear and understandable format: date of Work performed, truck tag number, truck number, Contractor's job number and job name, hours or tons hauled, rate of pay and total charges. A separate invoice shall be provided for each job.

Contractor agrees to pay to Trucker monthly progress payments for Work that has been actually and satisfactorily completed by Trucker, for labor, equipment, services and materials that have been placed in position, as reflected in Contractor's application for payment and as approved by Owner. The amounts to be paid shall be calculated by taking the prices for the Work for which payment is owed by a percentage that shall be identified in the Truck Order, with the balance to be withheld as retention. The foregoing percentage shall be ninety percent (90%) unless otherwise stated under the Truck Order or a different percentage is required by applicable law. Payment shall be made within seven (7) days after receipt of payment from the Owner by Contractor, provided all other conditions hereof have been satisfied and there are no grounds for withholding. Trucker as a condition to payment agrees to provide waivers and releases for itself and its sub-haulers and suppliers regardless of tier, as well as other evidence of payment to such persons, in a form satisfactory to Contractor, including without limitation, payroll affidavits, certified payroll records, union letters, receipts, vouchers or other documentation, demonstrating that Trucker has paid for all labor, equipment, materials, services, taxes or other charges in any way relating to Trucker's Work and obligations in connection with the Project.



Final payment to Trucker shall be made ten (10) days after the entire work required by the Prime Contract has been fully completed, with funds received by Contractor from Owner. Contractor, at its option, may make payments by joint check. Payment shall not constitute acceptance or acknowledgement of completion with regard to any part of Trucker's Work.

On public works projects with the State of California or any subdivision thereof, the time period for payment of amounts (if any) which Contractor is obligated by this Agreement to pay as retention shall be within seven (7) days after receipt of retention by Contractor, subject to Contractor's right to withhold for the grounds set forth in this Agreement or otherwise provided by law; additionally, on such state or local projects, the percentage of retention withheld (when there are no additional reasons for withholding) shall not exceed the percentage under the Prime Contract.

Payments made to Trucker shall be deemed to be held in trust for the benefit of Contractor and of all persons who furnished labor, equipment, and materials for or on behalf of Trucker, as well as for the benefit of trust funds and apprenticeship programs in connection with the Project. Unless otherwise stated, prices include all taxes, including without limitation, any amounts owed as a result of increase or changes in taxes that take effect during the course of the Project.

Notwithstanding any other term of this Agreement, Contractor shall be permitted a reasonable period of time to pursue remedies and collect from Owner or other persons for progress payments, final payments or other payments on account of Trucker's Work or claims, before payment shall become due to Trucker. What a "reasonable time" is shall be based upon all relevant circumstances but shall in no event exceed the duration which would be permitted under applicable law.

As a cumulative remedy, Contractor may withhold and/or retroactively nullify all or part of any payment to the extent necessary to protect Contractor from: (1) loss from defective Work not remedied; (2) claims that have been asserted or are reasonably likely to be asserted; (3) failure of Trucker to make payments to creditors; (4) damage to Contractor or another person; (5) penalties assessed against Contractor or Trucker for failure of Trucker to comply with laws or requirements; and (6) any other ground for withholding payment allowed by law, this Agreement or the Contract Documents. Contractor may in addition withhold from any payment or retention up to 150% of the amount of any disputed item, including without limitation, amounts Contractor believes may be necessary to withhold to protect Contractor from any potential claims which may result from Trucker failing to furnish appropriate waivers and releases for itself or any lower tier sub-haulers or suppliers. In addition, and without limiting any of its other rights and remedies Contractor shall be entitled to withhold and to setoff against any amounts owed to Trucker any liabilities or amounts owed to Contractor by Trucker; Trucker agrees to and accepts any such setoff as full payment under this Agreement and for purposes of mechanics' lien, stop payment notice, and bond statutes and claims.

In the event that applicable law in connection with a particular Project requires payment within time periods shorter than those identified in Section B, the time periods shall be shortened to conform to such requirements.



Unless Trucker makes written objection within sixty (60) days after receipt of payment on an invoice, Trucker will have been deemed to have accepted the amount as full and correct payment (less any applicable retention or withholding), and Trucker shall have waived any further claim to payment for the Work that was invoiced.

C. INDEPENDENT CONTRACTOR. Trucker represents that it is fully experienced and properly qualified as an expert to perform the trucking services provided for herein and that it is properly licensed, equipped, organized and financed to render such services. Trucker warrants that it is and shall operate hereunder as an independent contractor. Trucker may, at Trucker's sole expense, engage such subhaulers or assistants ("sub-haulers") as Trucker deems necessary to perform the Work. Trucker shall verify that all sub-haulers comply with every aspect of this Agreement, including requirements concerning insurance, licensing, safety, permits, etc. Trucker shall continuously monitor its sub-haulers to ensure such compliance, and shall be liable to Contractor for any damages, losses, costs or liabilities that Contractor may incur, directly or indirectly, arising out of any failure by any sub-hauler to comply with the terms of this Agreement. Trucker shall maintain insurance coverage in compliance with the terms of this Agreement for all sub-haulers. Trucker shall not permit any sub-hauler to perform Work under this Agreement without first verifying that sub-hauler is in compliance with this Agreement, and as part of this obligation, shall obtain certificates of insurance from each such sub-hauler. Contractor, in its sole discretion, may object to use of particular sub-haulers, but is under no obligation to do so. Although it may utilize sub-haulers to the extent permitted and in accordance with the requirements of this Section C, Trucker shall not assign this Agreement or any Work without Contractor's written consent in accordance with Section O.

D. TRUCKER-ARRANGED DUMP SITES. As part of the Work, and when requested by Contractor, Trucker will seek to locate a cost-effective dumpsite for excess materials generated from one or more projects to which the Work relates ("Fill Material"). If Trucker locates a dumpsite under terms acceptable to Contractor, Trucker agrees to assume all liability that may arise from use of the dumpsite and transportation of Fill Material to that site.

By arranging for disposal of Fill Material at a location, Trucker expressly warrants that disposal of the material complies with all federal, state, and local laws, that the disposal of the material will not create a nuisance, and that disposal of the Fill Material will not violate any easement, covenant or restriction. Trucker shall obtain all necessary permits for transportation and disposal of Fill Material. Trucker warrants that it and the owner of any dump site have conducted their own independent investigation regarding the Fill Material and have determined that the Fill Material may legally be disposed of at the site, will not create a nuisance by its disposal, and will not violate any easement, covenant or restriction by its disposal. To the greatest extent permitted by law, Trucker will cause all documentation to reflect that Trucker is the generator and transporter of the Fill Material. In undertaking to dispose of the Fill Material, Trucker agrees that it shall become the owner of the Fill Material for the purpose of disposing of it in a safe and legal manner. Trucker acknowledges and agrees that it will indemnify, hold harmless and defend Contractor and Owner under Section I of this Agreement against any and all claims, demands, losses, causes of action, and liabilities arising out disposal of Fill Material or breach of this Section D.



Among the matters to be indemnified and defended against, without limitation, shall be any penalties or enforcement action sought in connection with an allegation that the furnishing, use or disposal of Fill Material violates applicable law or a permit.

E. ADDITIONAL OBLIGATIONS. Trucker agrees to comply with the following obligations:

- (1) **Prosecution of the Work:** Trucker shall at all times supply a sufficient number of appropriate vehicles and equipment, and a sufficient number of properly trained and experienced drivers, to prosecute the Work efficiently and promptly, and it shall timely and promptly pay for all such labor, equipment, and other expenses.
- (2) **Supervision:** Trucker shall supervise the Work competently and diligently, providing onsite supervision when necessary.
- (3) **Insurance:** Trucker and its sub-haulers shall comply with the insurance requirements and provisions of Exhibit A, which are incorporated herein.
- (4) **Protection of Work:** Loss or damage attributable to Trucker shall be charged to Trucker. Trucker is responsible for all damages or losses it causes to others or to work, equipment or property of others.
- (5) **Compliance with Direction And Continued Performance:** In the event of a dispute, Trucker shall comply with Contractor's written directives and shall continue its performance, in accordance with Section N.
- (6) **Scope:** Trucker shall provide all labor, equipment, materials, and services needed to perform the Work and obligations referred to in this Agreement, including anything reasonably required or inferable in order to complete the Work and comply with the law,
- (7) **Taxes and Payments Required by law:** Trucker shall pay all federal and state taxes relating to its Work, including sales, use, employment, and other taxes, insurance and contributions for social security and unemployment, etc., including without limitation, any amounts owed as a result of increase or changes in taxes that take effect during the course of the Project.
- (8) **Permits, licenses and inspections:** Trucker shall obtain and pay for all permits, licenses, and inspections necessary be-cause of or otherwise related to its Work.

F. TIME AND SCHEDULE. *Time is of the essence.* Trucker shall conform to Contractor's progress schedule and all revisions thereto, as well as all directives issued by Contractor. Trucker shall diligently prosecute the Work and shall not delay Contractor or other **truckers**, subcontractors or suppliers. Trucker shall coordinate its Work with other persons involved in the Project. If Trucker fails to maintain its part of the Contractor's schedule, it shall, without additional compensation, accelerate the Work as Contractor may direct. Contractor shall have complete control of the premises on which the Work is to be performed



and shall have the right to decide the sequence and priority of Trucker's Work as compared with other Work. If Trucker is delayed by the negligence or breach of the Owner or Contractor, by fire or other casualty for which Trucker is not responsible, or by labor action not resulting from fault or collusion on the part of the Trucker, then Trucker may be entitled to a time extension provided that Trucker gave written notice within forty-eight (48) hours of the commencement of the delay. To the greatest extent permitted by law, a time extension is Trucker's sole remedy for delay and disruption; however, if Contractor obtains additional compensation from Owner on account of such delays, Trucker shall be entitled to a reasonable portion thereof. If Contractor prosecutes a claim against Owner for delay or claims related to Trucker, Trucker shall cooperate fully with Contractor and shall pay costs and expenses incurred in connection therewith, including actual attorney's fees incurred to prosecute the claim.

Trucker acknowledges that it will have to perform Work in areas occupied by other forces and that it will have to perform its Work in a sequence or manner to accommodate and facilitate the progress of the work as a whole, rather than in the manner most efficient or desirable for Trucker. Trucker's prices are based upon the foregoing, and on Contractor exercising the rights under Section F, as well as those indicated in Section G, and upon Trucker having planned to perform its Work under such circumstances. Milestone or completion dates of segments of Trucker's Work within the overall schedule shall be met. Failure to meet such milestone or completion dates shall be considered a breach of contract.

To the greatest extent permitted by law, if Trucker should default in performance of its Work or otherwise commits an act which causes delay to the Prime Contract, Trucker shall be liable for all losses, costs, expenses, liabilities and damages, including consequential damages and liquidated damages, sustained or otherwise incurred by Contractor, or for which Contractor may be liable to Owner or any other party because of Trucker's default, actions, or omissions, regardless of whether they are negligent or whether other delays, including those caused by Contractor, are contributory and/or concurrent.

G. CHANGES. Contractor is authorized to make changes, including deletions, additions, and other modifications to the Work or Trucker's obligations. In no event shall such additions, deductions, profit or markups exceed those permitted under the Contract Documents. Trucker shall supply Contractor with all documentation necessary to substantiate the amount of the addition to or deduction from the Contract Price or time for performance. If Contractor and Trucker cannot agree on the amount of the addition or deduction in the Contract Price or time for performance for a change, Trucker shall nonetheless timely perform the Work as changed by Contractor's written direction. Trucker shall not make any changes without written direction from Contractor. If Trucker makes any changes in the Work without written direction from Contractor, such change constitutes an agreement by Trucker that it will not be paid for the costs associated with the change. No change shall release or exonerate, in whole or in part, any bond or any surety on any bond, and no notice to any surety is required with regard to any change or other modification of this Agreement or the Contract Documents.

Trucker shall not deviate from the plans and specifications except on written Truck Order from Contractor. Trucker shall be responsible for any damage, inconvenience, or increase of costs arising directly or indirectly from failure of Trucker to observe the same.



All Change Orders shall constitute a contract document. Unit prices will be utilized where, in Contractor's sole discretion, Contractor deems them to be applicable to Change Order Work. If not covered by unit prices, a complete breakdown of the estimated costs for changed Work is to be submitted to Contractor for approval. If Contractor does not agree with the additional costs submitted, Contractor may, in its sole discretion, direct that the Work be performed on force account basis with Trucker providing written information concerning such hours and material each day for Superintendent's review and verification. Refusal to perform directed additional or changed Work on a time and material not-to-exceed basis shall constitute a material breach of contract.

H. COMPLIANCE WITH LAWS AND SAFETY REQUIREMENTS. At its sole expense, Trucker shall investigate and comply with, and agrees to be bound by all applicable laws and regulations, including without limitation, laws regarding licensing of contractors, the Fair Labor Standards Act, the Americans with Disability Act, the federal Family and Medical Leave Act, federal, state and local family rights and medical leave laws, civil rights and fair employment laws, the California Labor Code, Proposition 65, laws concerning wages and benefits to be paid, and all other construction, environmental, workplace and safety laws. Trucker accepts exclusive liability for compliance with such laws, including the Federal Social Security Act with respect to its employees, sales and use tax laws, and any other laws and regulations.

Trucker shall also comply, at its sole expense, shall comply with all DBE, MBE, UDBE, WBE, DVBE, LBE, local hiring and similar requirements pertaining to the Project. In the event of a termination as a result of any misrepresentation of facts relating to Trucker's status as a DBE, MBE, UDBE, WBE, DVBE, and/or LBE, Trucker shall not be entitled to any compensation not already paid.

Per Caltrans Standard Specification Section 5-1.13B(2)(b), Commercially Useful Function (CUF), if Trucker is a DBE then Trucker agrees, if asked by the Owner, to provide documentation such as registrations, leases, rental agreements, employee and inventory rosters, payroll records and tax records.

Trucker acknowledges that it has conducted its own independent investigation of the wage rates to be paid and whether its Work will be subject to prevailing wage requirements or the requirements of the Davis-Bacon Act and that it has not relied upon any statements or representations by Contractor with respect to such matters. Trucker agrees that price to be paid under any Truck Order shall be deemed to be full compensation for compliance with such laws, regulations, or requirements, including payment of all applicable wage rates, and that no additional compensation will be owed to Trucker in the event that Trucker is required thereunder to pay higher wages or incur additional costs that Trucker contends that it did not anticipate. If Trucker is subject to DIR Registration requirements, Trucker shall maintain its registration in full force and effect at all times. Certified Payroll shall be submitted or entered electronically, if required by law, requested by the Agency, Owner, Contractor, or pursuant to the contract documents, for all prevailing wage work. The prevailing wage rate for purposes of this agreement shall be defined by the most current DIR guidelines (www.dir.ca.gov).



Within three (3) days of Contractor's request, and regardless of whether a project is public or private, Trucker shall submit certified payroll records for itself and for any of its sub-haulers, of any tier, as well as any additional documentation or information that may be needed to verify that Trucker and all of its sub-haulers, regardless of tier, have paid all wages, benefits, contributions, apprenticeship council payments, and/or amounts owed to unions or trust funds. Trucker acknowledges that it is aware of the requirements of Labor Code Section 218.7 and 218.8 and agrees to comply fully with its requirements. Trucker agrees to provide an affidavit signed under penalty of perjury that it has paid all wages, fringe or other benefit payments or contributions due to its employees and/or to any labor trust fund.

In accordance with the indemnity provisions of this Agreement, Trucker shall defend, hold harmless, and/or indemnify Contractor and its sureties from any claim arising from the actual or alleged failure of Trucker or any of its sub-haulers, regardless of tier, to have paid all wages, benefits, contributions, apprenticeship council payments, and/or amounts owed to unions or trust funds. Trucker shall incorporate the foregoing requirements into all of its subcontracts or agreements for the project and shall likewise require all lower tier contracts to incorporate this requirement. Trucker further agrees to cooperate fully in any effort by Contractor to verify compliance with labor laws and regulations, including requirements under the Davis-Bacon Act or the California Labor Code. Such cooperation shall include, without limitation, furnishing copies and originals of records and providing access to employees or witnesses for interviews and statements. In addition to and without derogation of any other rights that Contractor may enjoy, Contractor may withhold sufficient funds to protect Contractor against any claims related to labor requirements, including without limitation, requirements under the Davis-Bacon Act or the California Labor Code.

On all projects subject to state or local prevailing wage requirements, Trucker shall comply with any applicable California prevailing wage laws. With respect to such projects, the provisions of California Labor Code Sections 1771, 1775, 1776, 1777.5, 1813 and 1815 are attached and incorporated. On such projects, as a condition precedent to final payment, Trucker agrees to provide an affidavit that complies with the terms of Labor Code Section 1775(b)(4).

At its sole expense, Trucker shall institute and maintain a reasonable and adequate safety program that fully complies with the law and shall fully cooperate with and adhere to any safety program or requirements of Contractor and/or Owner. All personnel of Trucker and its sub-haulers shall wear hard hats, safety vests, and any other necessary safety equipment, while visiting or working at a construction site. Trucker shall provide material data sheets and other submittals or items necessary to comply with applicable laws. Trucker agrees to obtain and pay for all permits, licenses and official inspections necessary for proper completion of its Work.

Trucker acknowledges that the EPA and California regulatory authorities, including without limitation, the State and Regional Water Quality Control Boards, have mandated certain requirements for permits under the National Pollutant Discharge Elimination System (NPDES), including Storm Water Pollution Prevention Plan (SWPPP) requirements. Trucker has undertaken its own independent and thorough investigation of all such matters, including without limitation, a thorough review of all requirements under the Contract Documents and/or that are imposed by any permits that apply to the Project, and



Trucker warrants that it is not relying upon any statements or representations by Contractor or Owner with respect to such matters. Trucker agrees, at its sole cost, to conform to any and all requirements of any environmental, air and water pollution statutes, regulations and measures, and/or permits, including NPDES permits, and Trucker also shall conform to any and all SWPPP requirements applicable to the Project. For example, on projects subject to the California Standard Specifications, such as Caltrans projects, Trucker's attention is directed to **California Standard Specifications Sections 13.1.01 through 13-10.03, "Water Pollution", and Sections 14-1.01 through 14.204, "Environmental Stewardship"**, and on all projects, to any special provisions or other contract provisions concerning NPDES, Department of Fish & Game, and other permits, air and water pollution statutes, regulations, and measures, and SWPPP requirements, and Trucker at its own cost agrees to comply fully therewith.

If hazardous or toxic substances, of a type of which an employer is required by law to notify its employees, are being used on the site by Trucker, its sub-haulers or anyone directly or indirectly employed by them, Trucker shall, prior to exposure of any employees on the site to such substance, give written notice of the chemical composition thereof to Contractor in sufficient detail and time to permit compliance with such laws by Contractor, other subcontractors and employers on the site.

Trucker shall comply with all provisions of "Proposition 65" (California State Drinking Water Act of 1986, California statutes), including without limitation, timely giving any required notices. Trucker shall not use or bring on to the Project any of the chemicals or compounds listed by the California State Attorney General from time to time under the provisions of Proposition 65 (the List) without delivering a clear written notice, at the time submittals are written, to Contractor and Owner informing them of the dates and locations where such items shall be delivered, used, or stored. Notwithstanding anything to the contrary contained or indicated herein or in any of the Contract Documents or purchase orders or anywhere else, Trucker shall not incorporate into the Work, or allow to be incorporated into the Work, any of the items on such list without specific advanced written notice having first been delivered to Contractor prior to Trucker becoming actually contractually obligated to purchase or take delivery thereof from its sub-haulers or suppliers, and then only to the extent Contractor gives clear written approval of the uses proposed in the notice. The notice shall contain clear descriptions of the type, amount, uses, locations and content of such items incorporated into or used in said Work.

I. INDEMNITY AND DEFENSE OBLIGATIONS. To the greatest extent permitted by law, Trucker shall defend, indemnify and hold harmless Contractor (and Prime Contractor if Contractor is a subcontractor), Owner, and Owner's architect and engineer, and any of their respective directors, officers, agents, employees, parents, affiliates, subsidiaries, partners, and representatives, and any other persons or entities designated by any of them (collectively, the "Indemnitees") from and against all causes of action, penalties, assessments, fines, actions, proceedings, or investigations by governmental authorities, demands, liabilities, claims, damages, costs, losses and expenses, including but not limited to attorney's fees and costs ("Claims"), which arise out of or are in any way related (i) to this Agreement; (ii) to actual or alleged actions or omissions by Trucker or any of its sub-haulers, suppliers, vendors, employees, or persons for whom it is responsible, or (iii) Trucker's presence at the Project site and/or its Work. Notwithstanding the foregoing, if any of the Contract Documents impose more stringent defense, indemnity, contribution or hold harmless obligations than are set forth herein, then to the greatest extent



permitted by law, the more stringent provisions shall apply, and Trucker shall owe the same defense, indemnity, contribution, and hold harmless obligations to Contractor as Contractor owes to Owner. Trucker's duty to defend Indemnitees shall apply, and Trucker shall be required to furnish a defense, notwithstanding that there has not yet been a determination, adjudication or finding of liability or fault on the part of Trucker or any party or person to be indemnified.

The duties under this Section I apply regardless of any active and/or passive negligent acts or omissions of Trucker, or of Owner or Contractor, or of any other person to be indemnified hereunder, but do not apply to Claims arising from the sole negligence or willful misconduct of Owner or Contractor, or for defects in design furnished by Contractor or Owner. The duties hereunder shall apply both before and after the Agreement is terminated or Work or a portion thereof is completed. The duties under this provision are not limited, waived or impaired by workers' compensation statutes or insurance or by any other insurance coverage.

If the Work under a particular Truck Order is subject to Section 2782.05 of the Civil Code, then this Section I shall apply to the greatest extent permitted by law, but no greater, and Contractor shall be entitled to all of the rights and remedies available under Section 2782.05, by contract and/or under applicable law.

J. LIENS AND CLAIMS. Trucker shall take all necessary steps to ensure that no claims, mechanic's lien, lawsuits, stop payment notices, or other liens are asserted in connection with the Project by any of its sub-haulers or suppliers (regardless of tier), its or their employees, trust funds, taxing authorities or other creditors, and pursuant to the duties set forth herein shall fully defend, hold harmless and indemnify Owner and Contractor against all such claims at Trucker's sole expense. At Trucker's sole expense, upon Contractor's request, Trucker shall within a reasonable period not to exceed ten (10) business days, bond around any stop payment notices or liens, so that the job and any funding therefor shall remain free from encumbrances and liens, and Trucker shall take such other and further steps as may be necessary to remove the effect of any liens, stop payment notices or claims from the Project or any funds for the Project.

K. LABOR. Trucker and all of its sub-haulers (regardless of tier) shall comply with and perform all Work covered by any collective bargaining agreement(s) to which Contractor is a party or which otherwise may be applicable to the Project, under the terms of said agreement(s) and shall become signatory to the applicable agreement(s) as a condition of performing Work. In addition, Trucker and its sub-haulers (regardless of tier), suppliers, vendors, and employees shall comply with the terms of any Project Labor Agreement or Project Stabilization Agreement that may apply to the Project. Should Contractor at its sole discretion establish a reserved gate system on the Project, Trucker agrees that its employees, sub-haulers and suppliers will use the reserve gate(s) designated for them by Contractor.

Trucker hereby expressly agrees that all of the provisions of the applicable labor agreements are incorporated into this Agreement as if they were set forth in their entirety. Trucker agrees to comply with all of the terms and conditions of those labor agreements as if it were a party to said agreements including signatory status if required. Trucker further agrees to pay the wage rates, make the required trust fund



payments into the respective labor trust funds, and observe the hours and all other terms and conditions set forth in the respective labor agreements. Trucker agrees to comply with the terms and provisions of said agreements setting forth the grievance and arbitration provisions. Furthermore, Trucker agrees to comply with the terms and provisions of said agreements setting forth the jurisdiction and scope of work therein for resolution of jurisdictional disputes. In the absence of any such procedure or if such procedure fails to promptly resolve the jurisdictional dispute, Trucker agrees, at its own cost and expense and upon request by Contractor, to take any and all lawful steps to secure a binding and final determination of said jurisdictional dispute by the National Labor Relations Board. Trucker acknowledges that terms and conditions of the labor agreements with the unions listed herein below may require that Trucker comply with additional labor agreements. Trucker agrees to bind and require all of its sub-haulers, regardless of tier, to agree to all of the requirements under this Section K.

CONTRACTOR IS SIGNATORY TO THE FOLLOWING UNIONS (*list*): Laborers, Operating Engineers, and Teamsters.

L. DEFAULT. If Trucker fails to supply sufficient qualified drivers or trucks, or fails to prosecute its Work diligently and properly, or fails to make prompt payment to its drivers, workers, and/or sub-haulers or becomes delinquent with respect to contributions or payments to any benefit, apprenticeship or other employee program or trust, or fails to provide adequate assurances, or is otherwise guilty of a material breach of a provision of this Agreement or the law, and fails within forty-eight (48) hours after receipt of written notice to commence and continue satisfactory correction of such default with diligence and promptness, and to complete the cure of such default within the time period stated in Contractor's default notice, then Contractor, without prejudice to any rights or remedies, shall have the right to any or all of the following remedies: (1) supply trucks, drivers, materials, equipment and other facilities as Contractor deems necessary to complete Trucker's Work; (2) contract with other firms to perform such part of Trucker's Work as Contractor shall deem appropriate; and (3) withhold payment of any monies due Trucker pending corrective action; provided, however, that Contractor may withhold payment without giving such notice, when authorized under this Agreement and/or applicable law.

In such an event, Contractor shall be entitled to recover from Trucker, backcharge against Trucker, and/or set off against amounts owed to Trucker, the actual direct and indirect costs that Contractor has incurred (including attorney's and consultant fees and litigation costs) plus markup of fifteen percent (15%) for overhead and ten percent (10%) for profit. In an emergency, Contractor may proceed as above without notice. In addition to any other remedies available, upon written notice Contractor shall be entitled to perform using its own or other forces those cleanup duties that Trucker has failed to perform, to remedy safety deficiencies, or otherwise to remedy Trucker's failure to have complied with requirements of this Agreement or directives by Contractor.

To secure performance by Trucker and the prompt payment of any funds expended by Contractor, Contractor shall have a lien upon all materials, tools, appliances, and equipment of Trucker at the Project or used in connection with Trucker's Work.



M. TERMINATION FOR CONVENIENCE. On written notice, Contractor may terminate all or part of this Agreement or Trucker's Work for Contractor's convenience. Upon such termination, Trucker shall be entitled to be paid for the Work completed as of the date of the termination. Trucker shall not be entitled to lost profits on Work not performed or any claim or claim of lien against Contractor or Owner for any additional compensation or damages in the event of such termination. In the event that any termination other than for convenience is later determined to have been without cause or improper, Trucker's sole remedy shall be to have the termination converted to a termination for convenience, and Trucker's recovery shall be limited in accordance with the terms of this Section M. Upon any termination, whether for cause or convenience, Contractor shall have the right to take immediate possession of, utilize for any purpose, inspect, and copy any and all of Trucker's documents or information related to the Project, and the obligations of Trucker and rights and remedies of Contractor that would continue after substantial completion in the absence of a termination, including without limitation, Trucker's duties with regard to indemnity, payment of creditors, compliance with laws, insurance, warranty, and defective Work, shall remain in full force and effect.

N. DISPUTES. Any dispute resolution procedure in the Prime Contract shall be deemed incorporated in this Agreement and shall apply to any disputes arising hereunder that involve the Owner, such as "pass through" claims. Trucker shall cooperate in such procedures and shall participate in them when requested. Any claims not involving the Owner shall be resolved, at Contractor's election and in its sole discretion, either through litigation, or through binding arbitration under JAMS rules in effect as of the date of the arbitration demand. Prior to filing an arbitration demand, the parties shall meet informally to attempt to resolve the dispute and, if requested by Contractor, shall participate in non-binding mediation, with each party to bear its own fees and costs. The award rendered by the arbitrator(s) shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction.

Notwithstanding any dispute, and to the greatest extent permitted by law, Trucker agrees to continue with its performance and maintain the schedule of Work pending resolution of any and all disputes, including disputes regarding payment or whether Work is within Trucker's scope. The foregoing sentence constitutes an advance waiver by Trucker of any actual or alleged right to stop Work, rescind, or abandon the Project.

Trucker, and its sub-haulers and suppliers (regardless of tier), agree upon request by Contractor to join in and be bound by proceedings involving Contractor, including those involving Owner or other parties. It shall be the responsibility of Trucker to prepare Contractor's case, to the extent the proceedings are related to this Agreement.

Nothing herein shall be deemed to waive rights or remedies that by law may not be waived.

O. ASSIGNMENT. Without first giving written notice and then obtaining Contractor's written consent, Trucker shall not assign, hypothecate, transfer or sublet: (1) any portion or part of the Work required or the obligations hereunder; (2) payments to Trucker under this Agreement; or (3) any cause of action related to this Agreement. Trucker acknowledges and stipulates that its performance constitutes a unique and personal obligation. Any assignment, hypothecation, transfer or subletting by Trucker without



Contractor's written consent shall be void and invalid, notwithstanding actual or constructive knowledge by Contractor of the purported assignment, hypothecation, transfer or subletting.

P. USE OF EQUIPMENT. If Trucker uses Contractor's equipment, materials, labor, supplies, services, or facilities, Trucker shall reimburse Contractor at a predetermined rate, to be agreed by the parties, except as otherwise provided herein. Trucker shall conduct its own independent investigation and hereby assumes all responsibility for any physical damage to Contractor's equipment, materials, supplies, or facilities. If Trucker utilizes any of Contractor's employees, Trucker shall have full responsibility for all acts and omission of Contractor's employees with regard to Trucker's use or employment of them. Trucker accepts any and all of Contractor's equipment, materials, labor, supplies, services, or facilities "as is."

Q. READY-MIXED CONCRETE. Section 1720.9 of the Labor Code (AB 219) requires that any person or entity that engages in "the hauling and delivery of ready-mixed concrete" on a project that is subject to prevailing wage laws must: (1) comply with prevailing wage laws, including payment of prevailing wages and the submission of certified payroll reports; (2) register with the Department of Industrial Relations, even if the person or entity is not a licensed contractor; and (3) with the submission of certified payroll reports, provide a written time record that shall be certified by each driver. Trucker agrees strictly to comply with these requirements, and Trucker's failure to comply shall constitute a material breach. In particular, and without limitation, Trucker agrees to comply with Division 2, Part 7, Chapter 1 of the California Labor Code, Section 1720 et seq.

R. AB 5 COMPLIANCE. Trucker shall comply and shall cause any of its sub-haulers and independent contractors (regardless of tier) to comply with all statutes, regulations, orders, court decisions and other laws relating to classification of individuals as employees, including without limitation and as applicable, Labor Code Section 2775 et seq. (AB5) and *Dynamex Operations West, Inc. v Superior Court*, 4 Cal. 5th 903 (2018).

Trucker shall fully document its compliance with applicable law relating to the classification of natural persons as employees and shall cause its sub-haulers and independent contractors (regardless of tier) to document their compliance. At Contractor's request, Trucker and its sub-haulers and independent contractors (regardless of tier) shall execute and furnish written declarations under penalty of perjury, in a form satisfactory to Contractor, that establish their compliance with applicable laws, including without limitation, those relating to the classification of natural person as independent contractors. Contractor shall be entitled to audit whether or not there has been compliance by Trucker and its sub-haulers and independent contractors (regardless of tier) with the requirements of this Section R. Additionally, upon request, Trucker shall provide documentation demonstrating compliance by Trucker and its sub-haulers with laws regarding the classification of individuals as independent contractors or employees, including without limitation, copies of payroll records and checks, as well as itemized statements furnished to employees in accordance with Labor Code Section 226.

EXHIBIT A – See Attached Insurance Requirements

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EXHIBIT B Labor Code Sections 1771, 1775, 1776, 1777.5, 1813 and 1815

§ 1771. Requirement of prevailing local rate for work under contract Except for public works projects of one thousand dollars (\$1,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works.

This section is applicable only to work performed under contract and is not applicable to work carried out by a public agency with its own forces. This section is applicable to contracts let for maintenance work.

§ 1775. Forfeiture for paying less than prevailing wage rates; Amount of penalty; Payments to workers; Liability of prime contractor; Notification of complaint

(a) (1) The contractor and any subcontractor under the contractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the director for the work or craft in which the worker is employed for any public work done under the contract by the contractor or, except as provided in subdivision (b), by any subcontractor under the contractor.

(2) (A) The amount of the penalty shall be determined by the Labor Commissioner based on consideration of both of the following:

(i) Whether the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) Whether the contractor or subcontractor has a prior record of failing to meet its prevailing wage obligations.

(B) (i) The penalty may not be less than forty dollars (\$40) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, unless the failure of the contractor or subcontractor to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily corrected when brought to the attention of the contractor or subcontractor.

(ii) The penalty may not be less than eighty dollars (\$80) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the contractor or subcontractor has been assessed penalties within the previous three years for failing to meet its prevailing wage obligations on a separate contract, unless those penalties were subsequently withdrawn or overturned.

(iii) The penalty may not be less than one hundred twenty dollars (\$120) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rate, if the Labor Commissioner determines that the violation was willful, as defined in subdivision (c) of Section 1777.1.

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(C) If the amount due under this section is collected from the contractor or subcontractor, any outstanding wage claim under Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 against that contractor or subcontractor shall be satisfied before applying that amount to the penalty imposed on that contractor or subcontractor pursuant to this section.

(D) The determination of the Labor Commissioner as to the amount of the penalty shall be reviewable only for abuse of discretion.

(E) The difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the contractor or subcontractor, and the body awarding the contract shall cause to be inserted in the contract a Page 18 of 23 Current as of 11.2024 stipulation that this section will be complied with.

(b) If a worker employed by a subcontractor on a public works project is not paid the general prevailing rate of per diem wages by the subcontractor, the prime contractor of the project is not liable for any penalties under subdivision (a) unless the prime contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with all of the following requirements:

(1) The contract executed between the contractor and the subcontractor for the performance of work on the public works project shall include a copy of the provisions of this section and Sections 1771, 1776, 1777.5, 1813, and 1815.

(2) The contractor shall monitor the payment of the specified general prevailing rate of per diem wages by the subcontractor to the employees, by periodic review of the certified payroll records of the subcontractor.

(3) Upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages, the contractor shall diligently take corrective action to halt or rectify the failure, including, but not limited to, retaining sufficient funds due the subcontractor for work performed on the public works project.

(4) Prior to making final payment to the subcontractor for work performed on the public works project, the contractor shall obtain an affidavit signed under penalty of perjury from the subcontractor that the subcontractor has paid the specified general prevailing rate of per diem wages to his or her employees on the public works project and any amounts due pursuant to Section 1813.

(c) The Division of Labor Standards Enforcement shall notify the contractor on a public works project within 15 days of the receipt by the Division of Labor Standards Enforcement of a complaint of the failure of a subcontractor on that public works project to pay workers the general prevailing rate of per diem wages.



§ 1776. Payroll record of wages paid; Inspection; Forms; Effect of noncompliance; Penalties

(a) Each contractor and subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the contractor or subcontractor in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(1) The information contained in the payroll record is true and correct.

(2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by that person's employees on the public works project.

(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or the employee's authorized representative on request.

(2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract and the Division of Labor Standards Enforcement of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through either the body awarding the contract or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor, subcontractors, and the entity through which the request was made. The public may not be given access to the records at the principal office of the contractor. Page 19 of 23 Current as of 11.2024 (c) Unless required to be furnished directly to the Labor Commissioner in accordance with paragraph (3) of subdivision (a) of Section 1771.4, the certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division. The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain the same information as the forms provided by the division and the printouts are verified in the manner specified in subdivision (a).

(d) A contractor or subcontractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested the records within 10 days after receipt of a written request.

(e) (1) Except as provided in subdivision (f), any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's



name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a multiemployer Taft-Hartley trust fund (29 U.S.C. Sec. 186(c)(5)) that requests the records for the purposes of allocating contributions to participants shall be marked or obliterated only to prevent disclosure of an individual's full social security number but shall provide the last four digits of the social security number. Any copy of records made available for inspection by, or furnished to, a joint labormanagement committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's social security number.

(2) Copies of electronic certified payroll records shall not satisfy payroll records requests made by Taft-Hartley trust funds and joint labormanagement committees. Any copy of records requested by, and made available for inspection by or furnished to, a Taft-Hartley trust fund or joint labor-management committee shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division.

(f) (1) Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided nonredacted copies of certified payroll records. Any copies of records or certified payroll made available for inspection and furnished upon request to the public by an agency included in the Joint Enforcement Strike Force on the Underground Economy or to a law enforcement agency investigating a violation of law shall be marked or redacted to prevent disclosure of an individual's name, address, and social security number.

(2) An employer shall not be liable for damages in a civil action for any reasonable act or omission taken in good faith in compliance with this subdivision.

(g) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.

(h) The contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). In the event that the contractor or subcontractor fails to comply within the 10-day period, the contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.

(i) The body awarding the contract shall cause this to be inserted in the contract stipulations to effectuate Page 20 of 23 Current as of 11.2024 this section.



(j) The director shall adopt rules consistent with the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code) and the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) governing the release of these records, including the establishment of reasonable fees to be charged for reproducing copies of records required by this section.

§ 1777.5. Employment of apprentices on public works.

(a) (1) This chapter does not prevent the employment upon public works of properly registered apprentices who are active participants in an approved apprenticeship program.

(2) For purposes of this chapter, “apprenticeship program” means a program under the jurisdiction of the California Apprenticeship Council established pursuant to Section 3070.

(b) (1) Every apprentice employed upon public works shall be paid the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered and shall be employed only at the work of the craft or trade to which he or she is registered.

(2) Unless otherwise provided by a collective bargaining agreement, when a contractor requests the dispatch of an apprentice pursuant to this section to perform work on a public works project and requires the apprentice to fill out an application or undergo testing, training, an examination, or other preemployment process as a condition of employment, the apprentice shall be paid for the time spent on the required preemployment activity, including travel time to and from the required activity, if any, at the prevailing rate of per diem wages for apprentices in the trade to which he or she is registered. Unless otherwise provided by a collective bargaining agreement, a contractor is not required to compensate an apprentice for the time spent on preemployment activities if the apprentice is required to take a preemployment drug or alcohol test and he or she fails to pass that test.

(c) Only apprentices, as defined in Section 3077, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprentice agreements under Chapter 4 (commencing with Section 3070) of Division 3 are eligible to be employed at the apprentice wage rate on public works. The employment and training of each apprentice shall be in accordance with either of the following:

(1) The apprenticeship standards and apprentice agreements under which he or she is training.

(2) The rules and regulations of the California Apprenticeship Council.

(d) If the contractor to whom the contract is awarded by the state or any political subdivision, in performing any of the work under the contract, employs workers in any apprenticeable craft or trade, the contractor shall employ apprentices in at least the ratio set forth in this section and may apply to any apprenticeship program in the craft or trade that can provide apprentices to the site of the public work for a certificate approving the contractor under the apprenticeship standards for the employment and training



of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the contractor, shall arrange for the dispatch of apprentices to the contractor. A contractor covered by an apprenticeship program's standards shall not be required to submit any additional application in order to include additional public works contracts under that program. "Apprenticeable craft or trade," as used in this section, means a craft or trade determined as an apprenticeable occupation in accordance with rules and regulations prescribed by the California Apprenticeship Council. As used in this section, "contractor" includes any subcontractor under a contractor who performs any public works not excluded by subdivision (o).

(e) Before commencing work on a contract for public works, every contractor shall submit contract award information to an applicable apprenticeship program that can supply apprentices to the site of the public work. The information submitted shall include an estimate of journeyman hours to be performed under the contract, the number of Page 21 of 23 Current as of 11.2024 apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the awarding body, if requested by the awarding body. Within 60 days after concluding work on the contract, each contractor and subcontractor shall submit to the awarding body, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the contract. The information under this subdivision shall be public. The apprenticeship programs shall retain this information for 12 months.

(f) The apprenticeship program supplying apprentices to the area of the site of the public work shall ensure equal employment and affirmative action in apprenticeship for women and minorities.

(g) The ratio of work performed by apprentices to journeymen employed in a particular craft or trade on the public work may be no higher than the ratio stipulated in the apprenticeship standards under which the apprenticeship program operates if the contractor agrees to be bound by those standards. However, except as otherwise provided in this section, in no case shall the ratio be less than one hour of apprentice work for every five hours of journeyman work.

(h) This ratio of apprentice work to journeyman work shall apply during any day or portion of a day when any journeyman is employed at the jobsite and shall be computed on the basis of the hours worked during the day by journeymen so employed. Any work performed by a journeyman in excess of eight hours per day or 40 hours per week shall not be used to calculate the ratio. The contractor shall employ apprentices for the number of hours computed as above before the end of the contract or, in the case of a subcontractor, before the end of the subcontract. However, the contractor shall endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the jobsite. When an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Administrator of Apprenticeship, upon application of an apprenticeship program, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification.



(i) A contractor covered by this section who has agreed to be covered by an apprenticeship program's standards upon the issuance of the approval certificate, or who has been previously approved for an apprenticeship program in the craft or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the applicable apprenticeship standards, but in no event less than the 1-to-5 ratio required by subdivision (g).

(j) Upon proper showing by a contractor that he or she employs apprentices in a particular craft or trade in the state on all of his or her contracts on an annual average of not less than one hour of apprentice work for every five hours of labor performed by journeymen, the Administrator of Apprenticeship may grant a certificate exempting the contractor from the 1-to-5 hourly ratio, as set forth in this section for that craft or trade.

(k) An apprenticeship program has the discretion to grant to a participating contractor or contractor association a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the contractor from the 1-to-5 ratio set forth in this section when it finds that any one of the following conditions is met:

(1) Unemployment for the previous three-month period in the area exceeds an average of 15 percent.

(2) The number of apprentices in training in the area exceeds a ratio of 1 to 5.

(3) There is a showing that the apprenticeable craft or trade is replacing at least one-thirtieth of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis.

(4) Assignment of an apprentice to any work performed under a public works contract would create a condition that would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large, or the specific task to which the apprentice is to be assigned is of a nature that training cannot be provided by a journeyman.

(l) If an exemption is granted pursuant to subdivision (k) to an organization that represents contractors in a specific trade from the 1-to-5 ratio on a local or statewide basis, the member Page 22 of 23 Current as of 11.2024 contractors shall not be required to submit individual applications for approval to local joint apprenticeship committees, if they are already covered by the local apprenticeship standards.

(m) (1) A contractor to whom a contract is awarded, who, in performing any of the work under the contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the director determines is the prevailing amount of apprenticeship training contributions in the area of the public works site. A contractor may take as a credit for payments to the council any amounts paid by the contractor to an approved apprenticeship program that can supply apprentices to the site of the public works project. The contractor may add the amount of the contributions in computing his or her bid for the contract.



(2)(A) At the conclusion of the 2002-03 fiscal year and each fiscal year thereafter, the California Apprenticeship Council shall distribute training contributions received by the council under this subdivision, less the expenses of the Department of Industrial Relations for administering this subdivision, by making grants to approved apprenticeship programs for the purpose of training apprentices. The grant funds shall be distributed as follows:

(i) If there is an approved multiemployer apprenticeship program serving the same craft or trade and geographic area for which the training contributions were made to the council, a grant to that program shall be made.

(ii) If there are two or more approved multiemployer apprenticeship programs serving the same craft or trade and county for which the training contributions were made to the council, the grant shall be divided among those programs based on the number of apprentices from that county registered in each program.

(iii) All training contributions not distributed under clauses (i) and (ii) shall be used to defray the future expenses of the Department of Industrial Relations for the administration and enforcement of apprenticeship and preapprenticeship standards and requirements under this code.

(B) An apprenticeship program shall only be eligible to receive grant funds pursuant to this subdivision if the apprenticeship program agrees, prior to the receipt of any grant funds, to keep adequate records that document the expenditure of grant funds and to make all records available to the Department of Industrial Relations so that the Department of Industrial Relations is able to verify that grant funds were used solely for training apprentices. For purposes of this subparagraph, adequate records include, but are not limited to, invoices, receipts, and canceled checks that account for the expenditure of grant funds. This subparagraph shall not be deemed to require an apprenticeship program to provide the Department of Industrial Relations with more documentation than is necessary to verify the appropriate expenditure of grant funds made pursuant to this subdivision.

(C) The Department of Industrial Relations shall verify that grants made pursuant to this subdivision are used solely to fund training apprentices. If an apprenticeship program is unable to demonstrate how grant funds are expended or if an apprenticeship program is found to be using grant funds for purposes other than training apprentices, then the apprenticeship program shall not be eligible to receive any future grant pursuant to this subdivision and the Department of Industrial Relations may initiate the process to rescind the registration of the apprenticeship program.

(3) All training contributions received pursuant to this subdivision shall be deposited in the Apprenticeship Training Contribution Fund, which is hereby created in the State Treasury. Upon appropriation by the Legislature, all moneys in the Apprenticeship Training Contribution Fund shall be used for the purpose of carrying out this subdivision and to pay the expenses of the Department of Industrial Relations.

(n) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section. The stipulations shall fix the responsibility of compliance with this section for all apprenticeable occupations with the prime contractor.



(o) This section does not apply to contracts of general contractors or to contracts of specialty contractors not bidding for work through a general Page 23 of 23 Current as of 11.2024 or prime contractor when the contracts of general contractors or those specialty contractors involve less than thirty thousand dollars (\$30,000).

(p) An awarding body that implements an approved labor compliance program in accordance with subdivision (b) of Section 1771.5 may, with the approval of the director, assist in the enforcement of this section under the terms and conditions prescribed by the director.

§ 1813. Penalty when workman required to work excess hours; Stipulation in contract; Cognizance and report of violation.

The contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract and shall report them to the Division of Labor Standards Enforcement.

§ 1815. Work performed in excess of specified hour limitations; Compensation.

Notwithstanding the provisions of Sections 1810 to 1814, inclusive, of this code, and notwithstanding any stipulation inserted in any contract pursuant to the requirements of said sections, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon public work upon compensation for all hours worked in excess of 8 hours per day at not less than 1½ times the basic rate of pay.