

Provisions Required by Law

- Prevailing wages must be paid for construction projects over \$1,000. Contractors must ensure they are responsible for paying prevailing wages during the performance of the public project
 - This requirement applies to projects involving construction, alteration, demolition, installation, repair, or maintenance work.
- Bid security in the form of performance bonds and payment bonds are required for contracts over \$25,000. Payment bonds are required by California Civil Code whereas performance bonds are required by the District, like many other agencies, to protect the District in case of a default by the contractor.
 - District policy is to withhold 5% retention on public works projects \$25,000 and over.
- Contractors must possess the appropriate license for the nature of the work, and subcontractors must be listed as per the Subletting and Subcontracting Fair Practices Act.
- Pursuant to Senate Bill 854, no contractor or subcontractor may be listed on a bid or awarded a contract for a public works project unless registered with the Department of Industrial Relations (DIR) per California Labor Code Section 1725.5.