



# THE MONTEREY CURRENT

## January 2012

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### **STATEWIDE LEGISLATION WITH INDUSTRY RAMIFICATIONS**

#### **Division of Apprenticeship Standards – Electrician Certification**

Persons applying to take the certification exam must now submit an employment history report from the Social Security Administration verifying work history as an electrician.

#### **Public Works**

Compliance Enhances prevailing wage monitoring and enforcement by the Department of Industrial Relations.

#### **Energy**

Renewable Energy Increases California's renewable portfolio standard (RPS) to require all retail sellers of electricity and all publicly owned utilities to procure at least 33% of electricity delivered to their retail customers from renewable resources by 2020.

#### **Public Contracts**

Project Labor Agreements prohibits the use of state funding for a project if a charter provision, initiative, or ordinance prohibits the use of a project labor agreement.

#### **Commercial Construction Contracts— Indemnification**

Subcontractors will benefit from the removal of indemnification provisions by general contractors,

lessening the financial and potentially legal obligations for work that the subcontractor did not perform.

#### **Contracts**

The definition of "public works" for the purposes of prevailing wages was expanded to include any construction, alteration, demolition, installation or repair work done under a power purchase agreement contract.



### **DIR SPECIAL UNIT TO MONITOR LABOR STANDARDS ON CALIFORNIA PUBLIC WORKS PROJECTS**

The Department of Industrial relations (DIR) recently launched the Division of Labor Standards Enforcement's (the California Labor Commissioner's) Compliance Monitoring Unit (CMU). Effective January 1, 2012, CMU will be responsible for ensuring compliance with the State's prevailing wage laws on state bond funded public works projects in California. The CMU's role includes the review of certified payroll records, verification that workers on the projects are paid correctly, and enforcement of pay, overtime, record-keeping, and hours limitation requirements. The DIR said that because California's economy is greatly affected by the construction

industry and public works projects, it is imperative that contractors comply with the public works laws that are set in place. The CMU will see that this is carried out efficiently. Informational seminars and webinars on public works projects and requirements of the CMU are scheduled throughout the State to ensure that the cities, counties, districts, and other state and local agencies whose projects will be subject to monitoring understand their responsibilities under the new program.



## INSURANCE POLICY DEBATE – INSTALLATION FLOATER VS. BUILDERS RISK COVERAGE

Installation Floaters are commonly purchased by contractors to cover property that they own as well as in their care, custody, or control destined to be incorporated into a building or structure undergoing construction, renovation, or repair. The coverage also applies to the installation of materials or equipment in an existing building or structure. The policy usually covers property while 1) in transit (some policies have sub-limits for this coverage); 2) awaiting installation at the work site; 3) or being installed, and with coverage ending when the work is considered to be completed by the terms of the individual floater.

If there is a Builders Risk Policy in place for the specific building or structure the floater may not be necessary as the Builders Risk Policy will come into play. However, for this to happen, the sub-contractor must be a named insured on the Builders Risk Policy.

The other possible limitation is if the Builders Risk Policy covers the described premises only, there may not be coverage for transit to the job site. Another point to consider is that when it's the project owner's responsibility or the general contractor's to obtain Builders Risk coverage, contractors seldom know

if coverage is in place, or even if there is coverage, the sub-contractor may not have the opportunity to review the policy to make sure their interest is covered. The purchase of an Installation Floater eliminates any concern about whether a Builders Risk Policy is in place for the type of exposures described above. The Installation Floater is the preferred coverage for work to be done in an existing building or structure.

### Installation Floater

1. Covers one insured
2. Commonly written for: Repair or refurbishing of structures. Installation of materials and equipment in existing structures
3. Some floaters include that part of an existing building or structure to which installation is being made
4. Some floaters will cover demolition of structure
5. May cover rigging exposures
6. May cover testing coverage
7. May cover soft costs

### Builder Risk

1. Can cover many insureds or interests
2. Commonly written for new construction of buildings or structures
3. Can be written for renovations of buildings or structures
4. Existing building or structure to which building or renovations are being made is not covered
5. Same as Installation Floater
6. Same as Installation Floater
7. Same as Installation Floater

In my opinion, it is far safer to carry an Installation Floater policy than not to. You should always try to get named as an additional Named Insured on the Builders Risk policy so that if there is a loss, then the claim goes against that policy and not yours.

*Article by Gregg Wright of RPW/United Agencies, a member of ASA Los Angeles - Orange County - Inland Empire Chapter.*



## AULD LANG SYNE

The song, "Auld Lang Syne," playing in

the background, is sung at the stroke of midnight in almost every English-speaking country in the world to bring in the New Year. At least partially written by Robert Burns in the 1700's, it was first published in 1796 after Burns' death. Early variations of the song were sung prior to 1700 and inspired Burns to produce the modern rendition. An old Scottish tune, "Auld Lang Syne" literally means "old long ago," or simply, "the good old days."

## TRI-COUNTY JATC TO ACCEPT APPLICATIONS

The JATC will again be accepting applications for apprenticeship beginning on Tuesday, January 3, 2012. Applications **MUST BE MADE IN PERSON** at 10300 Merritt Street in Castroville. Applications will be accepted Tuesday through Thursday, 9-11am and 1-4pm. **The last day to apply is Thursday, February 2, 2012.**

To meet minimum qualifications for apprenticeship, applicants must:

1. complete an application form.
2. be a minimum of eighteen (18) years of age.
3. provide a High School Diploma or GED.
4. provide an official embossed and sealed transcript from High School or College showing completion of Algebra 1, or its equivalent, with grade "C" or better.
5. provide a photo ID.

**January 3 through February 2, 2012**

**Tuesday through Thursday 9-11am and 1-4pm**

**Women and minorities are encouraged to apply.**





## 2012 DISTRICT NINE WINTER COUNCIL MEETING

Next year's District Nine Winter Council Meeting will be held March 28-30, 2012 at the Fairmont Scottsdale Princess in Scottsdale, Arizona.

Room reservation are on a first-come, first-served basis so you are encouraged to book early.

Highlights of the meeting will include:

- 3/28 – Pre-Conference Golf Tournament
- 3/29 – Chapter Manager's Lunch Meeting  
Council Meeting  
Reception and Dinner
- 3/30 - ECCT Breakfast  
General Membership (GM) Breakfast  
Political Presentation  
GM Meeting  
Lunch

If you have any questions or are interested in attending, please contact Jerri Champlin at (831) 236-1393 for details.

## LOCAL 684 INSIDE AGREEMENT EXTENDED

The Modesto Division and IBEW Local 684 have extended the Inside Construction Agreement to May 31, 2013, with no changes to the current wages and benefits.



## DEPARTMENT OF INDUSTRIAL RELATIONS LAUNCHES NEW LABOR ENFORCEMENT TASK FORCE

The DIR announced the January 1, 2012, launch of a newly created Labor Enforcement Task Force (LETF). LETF is a collaborative effort between state agencies to combat the underground economy and to improve California's business environment where legitimate employers can thrive. The primary partners of the LETF include DIR, the Employment Development Department, Contractor's State License Board, Board of Equalization, and the Bureau of Automotive Repair. LETF will also collaborate with the Department of Insurance, the Attorney General and Local District Attorneys, and others. LETF will help ensure that workers' rights are protected and that hard-working, compliant business owners have an opportunity for healthy competition in California. LETF's focus on collaboration, wider information-sharing and use of new technology for enforcement will ensure more effective targeting of businesses in the underground economy. The primary goals of the workforce will be to ensure workers receive proper payment of wages and are provided a safe work environment; ensure California receives all employment taxes, fees, and penalties due from employers; eliminate unfair business competition by leveling the playing field; and make efficient use of the state and federal resources in carrying out the mission of the Labor Enforcement Task Force. NECA and has been an active participant of the enforcement coalition involved with this effort, which will continue in 2012.

## NLRB POSTPONES REQUIREMENT TO POST NOTICE OF NLRA RIGHTS

The NLRB has announced it is postponing until April 30, 2012, its employee rights notice-posting rule to facilitate the resolution of the legal challenges that have been filed with respect to the rule. The notice of rights will be provided at no charge by NLRB regional offices or can be downloaded from their website. Translated versions will be available and must be posted at workplaces where at least 20% of employees are not proficient in the English language. Employers must also post the notice on an intranet or an internet site if personnel rules and policies are customarily posted there.

## SUBCONTRACTORS: NEW STATE LAWS EFFECTIVE JANUARY 2, 2012

California's S.B. 293 signed into law by Governor Brown in October, caps retainage at 5% on state and local public contracts entered into between January 1, 2012, and January 1, 2016. Because current state law prohibits a prime contractor from retaining more from a subcontractor than the owner retains from the prime, the law's effect is a 5% cap on retainage that can be held on subcontractors. The new law improves the state's prompt payment law by requiring upper-tier contractors on public projects to pay lower-tier contractors within seven days of receiving a progress payment. Previously, upper-tier contractors had 10 days to pay.

The new law also exempts laborers from the state's payment bond preliminary notice requirement.



## REDEVELOPMENT AGENCIES ELIMINATED

On December 29th, the California Supreme Court issued its ruling on the lawsuit brought against the State by the California Redevelopment Association and the California League of Cities. The Court upheld as constitutional ABX1 26, which eliminated redevelopment agencies. Additionally, the Court severed ABX1 27, which would have allowed agencies to remain in operation if they make remittance payments to the state, from its dependent bill ABX1 26, and invalidated ABX1 27 on its own. This decision effectively eliminates all redevelopment agencies across California, and removes any "pay to play" remittance payment option that would have allowed most RDAs to remain in operation. While the implications of this breaking decision are not yet clear, the East Bay Housing Organization (EBHO) will prioritize policy and advocacy in 2012 to pursue local and state funding for affordable housing, ensure that affordability and equity are part of regional planning processes, and to win community benefits in local cities and counties.



## MEI CLASSES FOR JANUARY AND FEBRUARY

Here is a list of classes that are schedule through NECA National's Management Education Institute (MEI). If you are interested in registering, please contact the chapter office for assistance.

### January 2012

#### Basic Estimating of Electrical Construction

January 17-20, 2012, Dublin, CA.  
Sponsor: Northern CA Chapter.

#### Facilities Energy Audit Education Program Phase I

January 20, 2012, Schaumburg,  
IL. Sponsor: Northeastern  
Illinois Chapter.

#### Building High Performance Work Teams for Electrical Contractors

January 23, 2012, King of Prussia,  
PA. Sponsor: Penn-Del-Jersey  
Chapter.

#### Facilities Energy Audit Education Program Phase II

January 26-27, 2012,  
Schaumburg, IL. Sponsor:  
Northeastern Illinois Chapter.

#### Building Partnership Through Customer Service Excellence

January 27, 2012, Middleton, WI.  
Sponsor: Madison Chapter.

### February 2012

#### Design-Build Methods for Electrical Project Delivery

February 1, 2012, Troy,  
MI. Sponsor: Southeastern  
Michigan Chapter.

#### How Contractors Can Immediately Improve Profitability

February 1, 2012, Duluth,  
MN. Sponsor: Twin-Ports-  
Arrowhead Chapter.

#### Getting Paid

February 16, 2012, Michigan City,  
IN. Sponsor: Northern Indiana  
Chapter.

#### Basic Estimating of Electrical Construction

February 20-23, 2012, Atlanta,  
GA. Sponsor: Atlanta Chapter.

#### The Future is Now - BIM

February 23, 2012, Troy, MI.  
Sponsor: Southeastern Michigan  
Chapter.

### Upcoming Events

January 2, 2012  
Local #234 Holiday  
Observed

January 20, 2012  
Board of Directors Retreat

March 7-8, 2012  
NECA National Labor  
Relations Conference

March 29-30, 2012  
District Nine Meeting  
Scottsdale, AZ