

RJO Update: Construction

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New Requirement to List Subcontractor's License in Public Project Bids

By RJO Construction Practice Group

The California Subletting and Subcontracting Fair Practices Act (aka the "Listing Law") requires contractors that bid on public projects to include a list of all subcontractors that will perform work in excess of one-half of one-percent of the contract's value. The current law only requires listing the subcontractor's name and location, and a description of its work.

Effective ***July 1, 2014***, the contractor must also list the subcontractor's "California contractor license number." Public Contract Code §4104.

The amended statute states: "(a)(2) An inadvertent error in listing the California contractor license number provided pursuant to paragraph (1) shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive **if** the corrected contractor's license number is submitted to the public entity by the prime contractor within 24 hours after the bid opening and provided the corrected contractor's license number corresponds to the submitted name and location for that subcontractor." This suggests that subcontractors must be licensed at the time of bid.

Recommended Action

General contractors submitting bids on California public projects should request subcontractors to submit their license numbers with all bids. Subcontractor license numbers must be listed in the bid submission to the public entity, and license numbers should be verified with the State Contractor's Board website, either before the bid is submitted, or promptly after bid submission, and any errors should be corrected with the public entity within 24 hours of submitting the bid.

If you have questions on how this new law will affect you, or any other legal issues that need attention, please contact the Rogers Joseph O'Donnell attorney with whom you regularly work or any member of our Construction Law Practice Group.

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