

PURCHASE ORDER TERMS AND CONDITIONS

This purchase order is subject to the following terms and conditions as well the agreement between Telfer Pavement Technologies, LLC ("Purchaser") and its customer ("Owner") to the extent that the terms of such agreement (the "Prime Contract") (a) relate to the goods or services to be provided hereunder; and/or (b) concern procedures or administrative requirements that Purchaser must comply with under the Prime Contract in connection with the purchase of Vendor's goods or services and/or (c) are required to be incorporated herein by the Prime Contract. In the event of any conflict or ambiguity among any of the terms hereof, the provisions requiring the stricter and greater duty on the part of Vendor shall govern. The terms and conditions herein set forth constitute an offer by Purchaser and may be accepted only on the exact terms set forth. Any different or additional terms in Vendor's acceptance of this offer are hereby objected to. Shipment and/or delivery by Vendor of any of the goods covered hereby, or performance of services hereunder, shall in all cases constitute an unqualified acceptance of all the terms and conditions of this purchase order by Vendor. Notwithstanding the foregoing, these Terms and Conditions shall not apply to purchase orders issued by Purchaser pursuant to Purchaser's Telfer Sites - Master Work Agreement, Work Agreement (Short Form), Master Subcontract Agreement and Telfer Subcontract Agreement.

1. The correct purchase order Number must be shown on all shipping documents. Purchaser may defer payment for any goods shipped without correct order numbers shown thereon, until shipments have been properly coded.
2. Vendor shall indemnify, defend and save harmless Purchaser from and against all costs, claims, damages or expenses whatsoever arising out of claims or suits for infringement of patent or patent rights, trademark rights, copyrights or other intellectual property rights claimed to govern Vendor's processes, products, items, equipment, apparatus, or appliances. Purchaser shall give Vendor reasonable notice of any such claim or suit and Vendor shall undertake at its own expense the defense of any and all such claims or suits. Purchaser shall provide, at Vendor's expense, such assistance in defending such claim or suit as may reasonably be requested by Vendor. If the use of such item is enjoined, Vendor shall, at its sole expense, and subject to Purchaser's sole discretion, procure the right to continue use of the item, modify the item to render it noninfringing, replace the item with a noninfringing item, or remove the item completely and refund the purchase price plus all related transportation, installation and dismantling costs.
3. By accepting this purchase order, Vendor warrants to Purchaser, Owner and any subsequent owner of any property in which Vendor's materials and/or services are incorporated or to which they may be affixed, in addition to all other warranties, that: (a) all goods to be furnished hereunder shall be new, unless otherwise specified, free from defect in design, materials, workmanship and title, shall conform to Purchaser's or Owner's specifications (as applicable), drawings, and data, and shall be fit for the use intended by Purchaser and/or Owner; and (b) any services or work performed by Vendor shall be performed in a good and workmanlike manner and shall conform to any applicable specifications. Said warranties shall be in addition to any other warranties given to Purchaser by Vendor and in addition to any implied warranties. All warranties whether express or implied, shall inure to the benefit of Purchaser and of any successor in interest, including Owner and any subsequent owner of any property in which Vendor's materials and/or services are incorporated or to which they are affixed. Vendor warrants clear and merchantable title. Vendor warrants that the goods and services sold under this Purchase Order shall not violate any copyright, trademark, license or other intellectual property rights. Vendor agrees to indemnify, defend and hold harmless Purchaser against all losses, damages, costs or expenses arising from the breach of such warranties. All warranties shall survive any inspection, delivery, acceptance, The foregoing warranties, as well as any implied by law, shall govern and control notwithstanding any attempt by Vendor to disclaim warranties and/or to limit remedies or damages. Vendor's warranties are continuing in nature.
4. Time is of the essence in the performance of this purchase order, and if delivery of goods or rendering of services is not completed within the time promised, Purchaser reserves the right without liability, in addition to its other rights and remedies, to terminate this purchase order, by notice, effective when received by Vendor, as to stated goods not yet shipped or services not yet rendered, and to purchase substitute goods or services elsewhere and charge Vendor with any loss or additional cost incurred. Goods shall not be delivered until ordered by the Project Superintendent, and material submittals and mix design must be forwarded promptly upon receipt of this purchase order. Vendor shall not be liable for damages and costs resulting from delay caused by any unforeseen occurrence beyond the control and without the fault of Vendor, provided, however, that Vendor notifies Purchaser in writing within 48 hours subsequent to the commencement of the occurrence.
5. Vendor shall not assign, sublet, or otherwise dispose of the whole or any part of this purchase order, nor shall Vendor assign any money due or to become due hereunder without the previous written consent of Purchaser. Any attempt by Vendor to so assign or dispose of any interest herein shall constitute a material breach of this contract. Purchaser may at any time and without notice assign its right, interest and obligations herein to an affiliate of Purchaser.
6. Before any payment hereunder shall become due, Purchaser, at its option, may require Vendor to furnish satisfactory evidence of the payment of all accounts for labor and materials pertaining to Vendor's performance hereunder, and provided further that before any payment hereunder shall become due Vendor shall, if required by Purchaser, procure and furnish to Purchaser waivers and releases for Vendor and, if applicable, its subcontractors and suppliers regardless of tier, as well as other satisfactory evidence of payment of such persons or, at the option of Purchaser a satisfactory surety bond indemnifying Purchaser against any claims based thereon. If Vendor is under a legal obligation to remit contributions to any union or trust fund, Vendor shall submit with its invoice a contribution letter from its union(s) and/or trust funds, which establishes that Vendor is current in its contributions and is good standing. Purchaser may withhold from Vendor's payments any deductions and/or penalties imposed by Owner as a result of Vendor's failure to comply with certified payroll requirements.
7. Vendor shall within ten (10) days from date of notice furnish, at the option of Purchaser, a performance and payment bond or a surety bond, whichever is applicable, duly executed with a surety company approved by Purchaser and in form, contents, and amount acceptable to Purchaser. The cost of said bond shall be borne by Purchaser provided the cost of such bond shall be no greater than 2% of the bonded value.
8. It is agreed that no payment made on account of this purchase order shall be conclusive evidence of delivery and acceptance of the items hereunder either wholly or in part or construed as acceptance of defective or improper goods.

9. Purchaser shall have the right to make changes in this purchase order. If such changes affect the price or the delivery date specified herein, Vendor shall, before proceeding, secure approval, in writing, of any change in price or date of delivery.

10. Purchaser shall not accept billing for any changes in the order or for any goods shipped in excess of that called for in the purchase order without Purchaser's written consent prior to such modifications. The prices on this purchase order are firm and not subject to escalation unless expressly noted on this purchase order.

11. In the event either party retains the services of legal counsel in connection with any legal proceeding to enforce such party's rights or the other party's obligations pursuant to this purchase order, the prevailing party and such proceeding shall be entitled to recover its reasonable attorney fees and litigation expenses incurred in connection with such efforts.

12. With the exception that this provision shall in no event be construed to require indemnification by Vendor to a greater extent than permitted under the law, Vendor shall indemnify, defend and save harmless Purchaser and its respective directors, officers, and employees from any and all claims, demands, causes of action, damages, costs, expenses, actual attorneys' fees, losses or liabilities, of every kind and nature whatsoever ("Claims") arising out of or in any way relating to (i) this purchase order; and/or (ii) actual or alleged actions or omissions by Vendor or persons for whom it is responsible. The foregoing obligations shall apply notwithstanding that Vendor is not negligent or actively involved in the events that give rise to the Claims. The obligations under this paragraph shall extend to Claims occurring after this purchase order is terminated or completed as well as while it is in force. To the greatest extent permitted by law, the duties to indemnify, defend and hold harmless shall apply regardless of any active and/or passive negligent act or omission of Purchaser, Owner or of any other person to be indemnified hereunder. Vendor, however, shall not be obligated under this Agreement to indemnify, defend and hold harmless: (a) Purchaser or Owner against Claims arising from their respective sole negligence or willful misconduct; or (b) any person against defects in designs that that person has furnished. The duty to defend is a separate covenant. The foregoing duties are not limited, waived or impaired by workers compensation statutes or insurance or by any other insurance coverage.

13. Vendor agrees that the goods supplied hereunder shall comply with any and all federal, state, or local safety laws, rules, or regulations in effect at the time of shipment or, if the goods are supplied pursuant to a lease arrangement, throughout the duration of the lease. In the event Purchaser is fined, assessed or required to make expenditures to correct an unsafe condition by reason of Vendor's failure to comply with this provision, Vendor shall reimburse and indemnify Purchaser for all such costs.

14. Waiver of Vendor's breach or default in any one particular hereunder shall not affect Purchaser's rights with respect to other different or continuing breaches or defaults by Vendor. No waiver of any right or privilege of Purchaser will occur upon Purchaser's failure to insist on performance of any term, condition, or instruction, or failure to exercise any right or privilege or its waiver of any breach. All waivers must be in writing and signed by Purchaser in order to be effective.

15. The terms and conditions of this purchase order shall be construed and interpreted under, and all respective rights and duties of the parties shall be governed by, the laws of the State of California without reference to its conflicts of law principles.

16. All negotiations and agreements prior to the date of this purchase order are merged herein and superseded hereby there being no agreements or understandings other than those written or specified herein. In the event of conflict between any proposal of Vendor specifically referred to herein and this purchase order, and as to all matters or points not expressly covered by such proposal, the terms and conditions of this purchase order shall govern. No custom or usage of any trade at variance with the terms and conditions of this purchase order shall be binding.

17. Vendor certifies that goods covered by this purchase order were produced in compliance with all applicable requirements of the Fair Labor Standards Act, as amended, and of regulations and orders of the United States Department of Labor issued thereunder. Vendor is required to implement the provisions of the OSHA hazard communication standard, 29 CFR 1910.1200, the so-called "Right To Know" law, which became effective May 25, 1986. When furnishing any material considered a physical or health hazard as defined by the standard, Vendor will furnish the required Material Safety Data Sheet (MSDS), together with appropriate labels and employee training or instruction material for that substance. MSDS must reference the proper purchase order number. On all public projects, 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" must: (1) comply with prevailing wage laws, including payment of prevailing wages and the submission of certified payroll reports; and (2) register with the Department of Industrial Relations, even if the person or entity is not a licensed contractor. Vendor agrees strictly to comply with the requirements imposed by AB 219 to the extent that it applies. In particular, and without limitation, Vendor agrees to comply with Division 2, Part 7, Chapter 1 of the California Labor Code, Section 1720 et seq. if it applies to Vendor.

18. Purchaser reserves the right, at any time and for its convenience, to terminate this purchase order in whole or in part by written notice to Vendor. Immediately upon receipt of such notice, Vendor shall stop all performance hereunder except as otherwise directed by Purchaser. If Vendor is not in default of any of its obligations hereunder at the time of such termination, Purchaser shall pay to Vendor, as Vendor's sole and exclusive remedy, an amount equal to: (a) reasonable and documented costs incurred by Vendor prior to termination, plus (b) the reasonable cost, if any, incurred by Vendor in winding up the work, provided, however, that the above amounts plus prior payments shall in no event exceed the amount of this purchase order. If Vendor is in default of any of its obligations hereunder at the time of termination, Vendor shall not be entitled to any further payments from Purchaser, and Purchaser may retain any monies owed to Vendor for work completed prior to termination of this purchase order to offset anticipated additional expenses incurred in completion of performance or other damages incurred by Purchaser as a result of Vendor's default. Purchaser may terminate this purchase order by written notice to Vendor upon the occurrence of any of the following events of default: (a) Vendor files for bankruptcy or an involuntary bankruptcy proceeding is commenced against Vendor; (b) Vendor makes a general assignment for the benefit of its creditors; (c) if any receiver is appointed for Vendor's business; or (d) Vendor is in default of any provision or requirement of this purchase order. Upon termination, Purchaser may complete the performance of this purchase order by any reasonable means, and Vendor shall be responsible for any additional costs incurred by Purchaser in accomplishing this completion. Upon request by Purchaser, Vendor will deliver or assign to Purchaser any work in progress at the time of termination.

19. Nothing contained herein or in any documents connected herewith shall be construed as limiting Purchaser's other rights and remedies at law or in equity.

20. Vendor agrees to comply with all local, state, and federal laws, orders, regulations, and ordinances regarding discrimination in employment against any individual on the basis of race, color, religion, sex, age, or national origin. In particular, Vendor agrees to comply with all provisions of Title 7 of the Civil Rights Act of 1964, as amended, and all applicable Executive Orders including, but not limited to, Executive Order No. 11246.

21. Vendor agrees that should Purchaser elect to implement this purchase order (or any related agreement or modification thereto) using an electronic signature, the following terms and conditions shall apply: (a) Purchaser's and Vendor's electronic signature shall be as established in that certain agreement between Purchaser and Vendor setting the parameters for the use of electronic commerce, which agreement is incorporated herein by reference; and (b) Vendor agrees that Purchaser may use an electronic signature to provide notice as required under this purchase order. Notice shall be deemed "sent" on the day Purchaser affixes its electronic signature or transmits the electronic signatures (as recorded by Purchaser's information system(s), whichever occurs later. Notwithstanding any contrary provision, Purchaser shall not be liable for any system down-time or other problems with or related to any communications system(s) or equipment, however same arises.

22. Purchaser without waiver or limitation of any rights or remedies of Purchaser shall be entitled from time to time to deduct from any amounts due or owing by Purchaser to Vendor in connection with this purchase order (or any other purchase order or contract with Purchaser) any and all amounts owed by Vendor to Purchaser.

23. Vendor shall maintain insurance policies and coverages in accordance with industry standards and shall provide Purchaser proof of such insurance upon request.

24. Quantities are approximate and Purchaser reserves the right to increase or decrease quantities with no change in unit price. Purchaser will only pay for actual quantities purchased.

25. AS APPLICABLE, VENDOR SHALL SUBMIT TWO COPIES OF ALL CERTIFIED PAYROLL REPORTS, WITH ORIGINAL SIGNATURES, TO PURCHASER. PAYMENT BY PURCHASER WILL BE WITHHELD SHOULD VENDOR FAIL TO COMPLY WITH THIS PROVISION. VENDOR IS RESPONSIBLE FOR FURNISHING ITS OWN CERTIFIED PAYROLL REPORTS TO THE DEPARTMENT OF INDUSTRIAL RELATIONS (DIR) VIA THE eCPR SYSTEM. IF APPLICABLE, SEE THE ATTACHED LABOR CODE SECTIONS 1771, 1775, 1776, 1777.5, 1813 AND 1815 ADDRESSING PREVAILING WAGE PROJECTS.

26. In the event any provision, or any portion of any provision of this purchase order shall be held to be invalid, void or otherwise unenforceable, such holding shall not affect the remaining part or portions of that provision, or any other provision hereof.

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.

**Attachment for California Prevailing Wage Projects
Labor Code Sections 1771, 1775, 1776, 1777.5, 1813 and 1815**

1771. 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. (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.

(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 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. (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 him or her 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 his or her 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 his or her 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.

(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) 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 labor-management 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.

(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, he or she 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 to be inserted in the contract stipulations to effectuate this section.

(j) The director shall adopt rules consistent with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 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 (a) This chapter does not prevent the employment of properly registered apprentices upon public works.

(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 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 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) 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 funds shall be distributed as follows:

(A) 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.

(B) 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.

(C) All training contributions not distributed under subparagraphs (A) and (B) shall be used to defray the future expenses of the Department of Industrial Relations for the administration and enforcement of apprenticeship standards and requirements under this code.

(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 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. 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. 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 1 1/2 times the basic rate of pay.

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