Monterey County Board of Supervisors
Referral Submittal Form

Referral No. 2026.18
Assignment Date: 08/18/26
(Completed by CAO's Office)

SUBMITTAL - Completed by referring Board office and returned to CAO no later than 10:00 AM on Wednesday prior to Board meeting:

Date: 8/7/26	Submitted By: Supervisor Lopez	District #: 3

Referral Title: Responsible Contractor Standards for County Construction and Public Works, and Bid Evaluation Credit for Apprenticeship Training and Worker Health Care

Referral Purpose: To direct County Counsel, the County Administrative Office, the Contracts and Purchasing Division, and Public Works, Facilities and Parks to return to the Board with a recommended framework establishing responsible contractor standards that condition County construction and public works eligibility on good standing with respect to outstanding wage judgments, and that award additional evaluation credit in the bid and prequalification process to contractors who invest in high-quality, state-approved apprenticeship training and who make health care expenditures for the workers on the project. The goal is to protect workers, level the playing field for law-abiding contractors, and ensure that public dollars build a skilled local workforce.

Brief Referral Description (attach additional sheet as required): I am requesting that staff develop and return to the Board with a recommended structure for two related measures. First, a responsible contractor standard that would make a contractor ineligible to perform covered County construction or public works while that contractor has an unsatisfied wage judgment or determination with an outstanding balance over $10,000, with a clear path to restore eligibility at any time by satisfying the balance and returning to good standing. Second, bid and prequalification language that awards additional evaluation credit, as points in the scoring process rather than as a condition of eligibility, to contractors who invest in high-quality, state-approved (DAS) apprenticeship training and who make health care expenditures for the workers on the project. This credit is not a gate; no contractor would be excluded from bidding for failing to earn it. Staff is asked to recommend the appropriate scope and phasing, including beginning with County public works contracts and evaluating a path to extend responsible contractor standards to private projects requiring a County permit, with exemptions for housing developments under ten units, deed-restricted affordable and low-income housing, owner-occupied residential work, and small local businesses. The complete description, requested actions, and legal authority are provided in the attached continuation sheet.

Classification - Implication	**Mode of Response**
☐ Ministerial / Minor ☐ Land Use Policy ☐ Social Policy (X) ☐ Budget Policy (X) ☐ Other: _____	[ ] Memo **[X]** Board Report [ ] Presentation **Requested Response Timeline** [ ] 2 weeks [ ] 1 month [ ] 6 weeks **[X]** Status reports until completed [ ] Other: _____ [ ] Specific Date: _____

ASSIGNMENT – Provided by CAO at Board Meeting. Copied to Board Offices and Department Head(s) Completed by CAO's Office:

Department(s): CAO, PWFP, County Counsel	Referral Lead: Michael Beaton, Randy Ishii, and Susan Blitch	Board Date: 8/18/26

REASSIGNMENT – Provided by CAO. Copied to Board Offices and Department Head(s). Completed by CAO's Office:

Department(s):	Referral Lead:	Date:

ANALYSIS - Completed by Department and copied to Board Offices and CAO:

Department analysis of resources required/impact on existing department priorities to complete referral:	
Analysis Completed By: _____ Date: _____	**Department's Recommended Response Timeline** ☐ By requested date ☐ 2 weeks [ ] 1 month [ ] 6 weeks [ ] 6 months [ ] 1 year [ ] Other/Specific Date: _____

REFERRAL RESPONSE/COMPLETION - Provided by Department to Board Offices and CAO:

Referral Response Date:	Board Item No.:	Referrals List Deletion:

Note: Please cc Claudia Escalante and Karina Bokanovich on all CAO correspondence relating to referrals.

CONTINUATION SHEET

Responsible Contractor Standards for County Construction and Public Works, and Bid Evaluation Credit for Apprenticeship Training and Worker Health Care

Submitted by Supervisor Christopher Lopez, District 3

Requested Actions

I respectfully request that the Board refer this matter to staff and direct County Counsel, the County Administrative Office, the Contracts and Purchasing Division, and the Department of Public Works, Facilities and Parks, in coordination with any other affected departments, to return to the Board with a report and recommended framework that accomplishes the following:

1. Establish a responsible contractor standard providing that a contractor or subcontractor is ineligible to perform work on a covered County construction or public works project for as long as that contractor has an unsatisfied wage judgment or determination with a currently outstanding balance exceeding ten thousand dollars ($10,000).
2. Provide that eligibility is based on present good standing rather than the age of the judgment, so that a qualifying unpaid judgment disqualifies regardless of when it was entered, and so that a contractor returns to good standing and becomes eligible to work at any time upon satisfying the outstanding balance. The standard should reward compliance and provide every contractor a permanent path back through payment.
3. Recommend the appropriate scope and phasing of the standard, including beginning with County public works contracts, where the County participates in the market as a proprietor, and evaluating a path and timeline to extend the standard to private construction projects that require a County permit, inspection, or land use approval in the unincorporated area. The Board would welcome a staff recommendation on whether an initial implementation period focused on County public works, of roughly eighteen months, is advisable before any extension to private permitted work.
4. Recommend exemptions that protect housing production and small local businesses, including at a minimum housing developments under ten units, deed-restricted affordable and low-income housing, work performed on residential property that the owner occupies or in good faith intends to occupy as a primary residence, and small local businesses. Staff is asked to recommend precise legal definitions for each category.
5. Develop a disclosure and verification mechanism that allows the County to confirm a contractor's good standing as a condition of award, permit issuance, or final approval, with the present good-standing standard controlling eligibility and staff recommending any reasonable disclosure-reporting window needed for verification.
6. Develop prequalification and bid evaluation language that awards additional credit, as points in the scoring process and not as a condition of eligibility, to contractors who invest in high-quality apprenticeship training. Credit should recognize participation in an apprenticeship program approved by the California Division of Apprenticeship Standards, with additional credit available for programs that demonstrate strong outcomes, such as a high apprentice graduation rate and a sustained record of graduating apprentices over multiple years. The criteria should be objective and openly available so that any qualified contractor may earn the credit through demonstrated training investment and outcomes, regardless of the contractor's bargaining status, consistent with the County's existing authority to evaluate labor compliance and apprenticeship conformance as part of bidder qualifications.
7. Provide additional bid evaluation credit, again as points and not as a condition of eligibility, to contractors who make bona fide health care expenditures for the workers performing covered work on the project. Staff is asked to recommend an appropriate benchmark for this credit, which may reference the health and welfare component of the applicable Monterey County general prevailing wage determination, and to structure the credit so that it rewards a contractor's investment in worker health coverage rather than functioning as a wage mandate or an eligibility gate. As with the apprenticeship credit, the criteria should be objective and openly available to all qualified contractors.

8. Recommend the appropriate dollar threshold of County public works projects to which the evaluation credit should apply, and confirm that the credit operates within the County's proprietary authority over its own public works procurement.
9. Identify the implementation costs, staffing implications, due process protections, and any administrative penalties or enforcement tools appropriate to the framework, and return to the Board for first reading and adoption of any necessary ordinance or policy.

Background and Need

Monterey County is a construction and agricultural economy, and the workers who build our roads, facilities, and housing deserve to be paid what they have lawfully earned. Wage theft, the failure to pay earned wages, overtime, or required benefits, falls hardest on low-wage workers and is especially difficult to root out in construction, where layered subcontracting can obscure who is responsible. When a contractor that has shorted its workers wins work over one that plays by the rules, responsible local contractors lose jobs they fairly earned, and the County and its workforce bear the cost.

State enforcement, while important, has struggled to keep pace. Workers who win wage claims often wait years for resolution, and collection on a judgment frequently falls to the worker. A worker who has already won a determination should not have to chase a contractor that continues to take public work as if nothing happened. This referral takes a measured approach. It does not set wage rates and it does not duplicate state or federal labor enforcement. It simply asks that those who seek the benefit of County construction dollars and County permits be current on what they already owe their workers, and it gives any contractor a clear and permanent way to requalify by paying the balance.

The second part of this referral looks forward. A bid evaluation credit for high-quality apprenticeship training and for worker health care investment helps ensure that public projects are built by a skilled and well-trained local workforce, and that the next generation of Monterey County tradespeople has a pathway into good careers. Participation and demonstrated outcomes in state-approved apprenticeship programs, and bona fide investment in worker health coverage, are objective and verifiable standards that any qualified contractor can pursue. Rewarding them in our procurement, as additional points rather than as a barrier to bidding, strengthens the local labor pool, supports the health and stability of the construction workforce, improves the quality and safety of public construction, and keeps public investment working for our communities.

Legal Authority

The County's authority to act rests on well-established foundations, which staff should confirm and refine. As to County public works contracts, the County acts as a market participant and proprietor with broad discretion to set contractor responsibility standards for its own projects. As to private construction in the unincorporated area, the County acts under its police power and its authority to condition land use approvals, permits, and certificates of occupancy, as recognized under Article XI, Section 7 of the California Constitution. With respect to the evaluation credit, California law already recognizes labor compliance, including apprenticeship conformance and prevailing wage history, as a legitimate component of bidder qualifications. The framework should be designed to regulate access to County-controlled benefits and contracts and should not set wage rates or otherwise enter areas preempted by state law. Staff should structure the evaluation credit around openly available, objective criteria to ensure it remains accessible to all qualified contractors and durable against challenge.

Precedent in Other California Jurisdictions

Monterey County would be joining a growing group of California jurisdictions that have used their own contracting and permitting authority to address wage theft and to reward responsible construction. Cities including Mountain View, San Jose, and Berkeley, and the City and County of San Francisco, have adopted responsible construction or wage theft measures, and a neighboring county has recently advanced a comparable ordinance. Staff is encouraged to review these models, identify the provisions best suited to Monterey County's needs, and recommend the approach that best fits our communities and our agricultural and rural character.