



COUNTY OF SAN DIEGO

2021 MAR -4 PM 12:40

CLERK OF THE BOARD
OF SUPERVISORS

NATHAN FLETCHER
CHAIR
SUPERVISOR, FOURTH DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

AGENDA ITEM

DATE: March 17, 2021

TO: Board of Supervisors

SUBJECT

**SUBCONTRACTOR TRANSPARENCY MEASURES FOR COUNTY PERMITS
(DISTRICTS: ALL)**

OVERVIEW

Earlier this year, the Board of Supervisors (Board) indicated their support for measures to increase transparency within the County of San Diego (County). These principles should also extend to building permits issued by the County's Planning & Development Services and right-of-way permits issued by the Department of Public Works. In requiring transparency, we create a culture of safety, legal compliance, and ensure that labor standards are upheld. This action will help root out labor violators and unqualified operators, and ensure accountability and safety.

I am proposing a series of changes to permit processes that would require transparency of the subcontractors working on a given project. State licenses and contact information for subcontractors would be disclosed on building and right-of-way permit applications, which would be outlined in ordinance options developed and brought back to the Board for approval. Although the State requires that all work being done is by a licensed contractor or an employee of the owner, this change in the County ordinances would help to further enforce that requirement. The ordinance would specify that it is the responsibility of the contractor to verify that the subcontractor meets all applicable regulations. Details of compliance and enforcement would be determined at a future date.

RECOMMENDATION(S)

CHAIR NATHAN FLETCHER

1. Find in accordance with Section 15061(b)(3) of the California Environmental Quality Act Guidelines that this action to direct staff to return with proposed options for a new ordinance is exempt because it has no potential to result in either a direct physical change to the environment or a reasonably foreseeable indirect physical change to the environment.

SUBJECT: SUBCONTRACTOR TRANSPARENCY MEASURES FOR COUNTY PERMITS (DISTRICTS: ALL)

2. Direct the Chief Administrative Officer to seek input from stakeholders and develop options for a new ordinance that would achieve the following objectives:
 - a. Modify the County’s online permitting portal Accela to require contractors for building permits and right-of-way permits, to disclose, at the time of subcontractor selection, the subcontractors working on a given project, including their contact information, subcontractor’s workers’ compensation insurance, State Contractor License Board license number and license category, and any other applicable disclosures.
 - b. Identify clearly that it is the responsibility of the lead contractor to ensure that, at the time of permit issuance and subcontractor selection, all subcontractors meet state and local labor regulations.
3. Return back to the Board with options for ordinance development in 180 days, including recommendations for how information can be collected to verify compliance, as needed.

FISCAL IMPACT

Fiscal impacts associated with developing the ordinance and implementing future recommendations will be presented to the Board in 180 days.

BUSINESS IMPACT STATEMENT

This measure will help ensure transparency and promote the use of licensed subcontractors to conduct necessary work.

ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Each year, the County of San Diego (County) Planning & Development Services processes around 13,000 building permits. On average, projects that utilize contractors have two to six subcontractors working on a project based on the scope and size of the project. Larger projects may have more subcontractors. Building permits for these projects can range from the construction of new housing developments, replacement of heating and air conditioning units, to communication systems and more. Right-of-way permits issued by the Department of Public Works can include such permit types as encroachment, construction, or excavation in the public right-of-way.

The County has an online permitting system, Accela, which includes a Citizen Access Portal that is accessible to the public. County staff upload permit application information to Accela for record keeping and tracking. The public can access information on permits and contractors, which furthers the County’s objectives around transparency and government accessibility.

The County verifies that contractors are in good standing with the Contractors State Licensing Board at the time of permit issuance. An applicant provides the County with relevant information as part of their permit application, including their Contractors State License Board license number. Accela then verifies that license number with the State Department of Consumer Affairs to confirm that the license is valid and current.

SUBJECT: SUBCONTRACTOR TRANSPARENCY MEASURES FOR COUNTY PERMITS (DISTRICTS: ALL)

However, these disclosure and transparency requirements do not apply to any subcontractors that may be working on these same projects. We have an opportunity to provide additional disclosure for subcontractors to facilitate greater transparency and ensure labor standards are upheld. As such, I am proposing to add disclosure requirements for subcontractors as part of the existing permitting system, that would be memorialized in ordinance options for the Board to consider. These options should include verification of each subcontractor's contact information, workers' compensation insurance, State Contractor License Board license number and license category, provided by the lead contractor at the time of subcontractor selection. It will be the responsibility of that contractor to verify that all subcontractors comply with all applicable state and local regulations. Although the State requires that all work being done is by a licensed contractor or an employee of the owner, this change in the County ordinances will help to further enforce that requirement.

Enforcement will be essential to ensure that these regulatory changes are meeting their intended results. In May, I plan to bring forward an action to create an Office of Labor Standards and Enforcement, which I envision would be staffed by labor law experts and have a role in enforcing compliance with related laws such as those this proposal aims to uphold.

Today's Board action asks the Chief Administrative Officer to require contractors applying for building permits and right-of-way permits to disclose subcontractors in the Accela platform, and upload relevant information to the Accela permit at the time a subcontractor is selected. It would put the responsibility of ensuring compliance of subcontractor's licensure on the lead contractor. Options for a new ordinance would be determined by staff in conjunction with stakeholders, and returned back to the Board for direction within 180 days.

I urge your support.

ENVIRONMENTAL STATEMENT

This action to direct to staff to return with proposed options for a new ordinance has no potential to result in either a direct physical change to the environment or a reasonably foreseeable indirect physical change to the environment. The proposed Board action is exempt from provisions of the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) of the CEQA Guidelines. Directing staff to return with options for a new ordinance does not commit the County to any definitive course of action. Subsequent actions would be reviewed pursuant to CEQA and presented to the Board for consideration prior to implementation.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

The disclosure requirements for subcontractors supports the Operational Excellence and Living Safely Initiatives in the County of San Diego's 2021–2026 Strategic Plan by supporting businesses and activities that support transparency and promote the use of licensed subcontractors, and contribute to building a region that is thriving.

SUBJECT: SUBCONTRACTOR TRANSPARENCY MEASURES FOR COUNTY PERMITS (DISTRICTS: ALL)

Respectfully submitted,

A handwritten signature in black ink that reads "Nathan Fletcher". The signature is written in a cursive style with a prominent horizontal line across the top of the name.

CHAIR NATHAN FLETCHER
Supervisor, Fourth District

SUBJECT: SUBCONTRACTOR TRANSPARENCY MEASURES FOR COUNTY PERMITS (DISTRICTS: ALL)

AGENDA ITEM INFORMATION SHEET

REQUIRES FOUR VOTES: Yes No

WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED
 Yes No

PREVIOUS RELEVANT BOARD ACTIONS:
N/A

BOARD POLICIES APPLICABLE:
N/A

BOARD POLICY STATEMENTS:
N/A

MANDATORY COMPLIANCE:
N/A

ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):
N/A

ORIGINATING DEPARTMENT: District 4, Board of Supervisors

OTHER CONCURRENCE(S):

CONTACT PERSON(S):

Emily Wier	_____
Name	Name
619-531-5544	_____
Phone	Phone
Emily.Wier@sdcounty.ca.gov	_____
E-mail	E-mail