WACA ALERT

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**WACA Contractor Call to Action - Act Now on AB 626**

**We are proud to announce that AB 6262, our sponsored “Change Order Reform” bill has made it through the legislative process without a single “NO” vote.  It now awaits action by Governor Brown.** The bill puts a fair and responsible process in place that requires agencies to respond to a contractor’s claim for “extra work” timely, pay the undisputed portions of claims and provides a path for expedited settlement of disputed claims. **Some local agencies such as cities and the airports have stepped up their opposition to the measure and we need letters of support from our contractors.**

***Below is the contact information for Governor Brown.***

**Governor Edmund “Jerry” G. Brown, Jr.**

**State Capitol Building**

**First Floor**

**Sacramento, CA 95814**

**FAX: (916) 558-3160**

**PLEASE MAIL or FAX LETTERS ON YOUR LETTERHEAD AS SOON AS POSSIBLE AS THE GOVERNOR WILL BE TAKING ACTION ON MEASURES BEFORE HIM VERY SOON!**

***Please also fax a copy of your letter to our office at (916) 442-6437.***

**\*Below is a sample letter for your use.  You may cut and paste on to your company letter head, but feel free to make changes.**

**Thank you for your assistance!!!!!!!!!!!!!!!!!!!!!!**

\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\* CONTRACTOR SAMPLE LETTER\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*

Date

Governor Edmund “Jerry” G. Brown, Jr.

State Capitol Building

Sacramento, CA 95814

RE: **AB 626** (Chiu) - Public contracts: claims – **Request for Signature**

Dear Governor Brown:

As a California union contractor employing \_\_\_\_ Insert Number of Employees \_\_\_\_\_\_ employees, I am pleased to make you aware of my support of AB 626, legislation relating to payment on public works projects, and request your signature of this important measure.

Receiving timely and fair payment for extra work is one of the most challenging issues that I face as a public works contractor.  As such, AB 626 is one of the most important pieces of legislation for our industry in decades as it seeks to implement a fair and balanced approach to payment for extra worked performed on the job.

AB 626 closes a loophole in California’s public works prompt pay laws. Under current California law, I am often required to perform extra work in addition to the original contract, but I am not provided any avenue for prompt payment for that work. Current law does not compel reasonable or timely action by public agencies and the results can be financially devastating to businesses like mine.

The loophole permitting owner delays in approving and paying for extra work is a very serious problem.  Public agencies can and do put off approving and paying for months or even years.  In the meantime, we, the contractors and subcontractors who performed the extra work, are left without payment to reimburse us for the costs that the owner forced us to incur.  We end up having to finance the costs of this work out of our own pocket, because we have to pay our workers, trust funds and suppliers right away. This leads to the use of time as undue leverage, where public owners delay approving and paying for extra work and contractors, like myself, are forced to settle for less than the value of work performed just to continue business operations.

AB 626 puts a process in place that requires agencies to respond timely to a contractor’s claim, requires the agency to promptly pay out portions of the work they acknowledge/agree they owe the contractor, and implements a fair process for resolving any disputed portions of payment.

I strongly believe that the implementation of AB 626 will decrease construction delays and cut costs on California’s public works projects, but most importantly, AB 626 will reduce litigation expenses to the benefit of contractors and the public agencies who hire us to perform their work.

For these reasons, I am in strong support of AB 626 and request your signature on this important measure.

Sincerely,

Name

Title