



Stage 1 Business Analysis

California Department of Technology, SIMM 19A.3 (Ver. 3.0.8, 02/01/2022)

1.1 General Information

1. Agency or State entity Name: 7350 - Industrial Relations, Department of

If Agency/State entity is not in the list, enter here with the [organization code](#).

[Click or tap here to enter text.](#)

2. Proposal Name and Acronym: Labor Enforcement Task Force Project (LETF project)

3. Proposal Description: (Provide a brief description of your proposal in 500 characters or less.)

Pursuant to Assembly Bill 175 (Chapter 255, 2021), the sum of \$30,000,000 was appropriated from the Labor and Workforce Development Fund for support of The Department of Industrial Relations (DIR) for strategic enforcement focused on construction, alteration, and repair projects, subject to the provisions of Section 1785 of the Labor Code. \$10,000,000 would be allocated to DIR OIS in an effort to upgrade the current Public Works data systems and create a technical capability for analytics using this data.

4. Proposed Project Execution Start Date: 1/2/2023

5. S1BA Version Number: Version 1

1.2 Submittal Information

1. Contact Information

Contact Name: Benjamin Bonte

Contact Email: BBonte@dir.ca.gov

Contact Phone: [510-286-0945](tel:510-286-0945)

2. Submission Type: New Submission

If Withdraw, select Reason: [Choose an item.](#)

If Other, specify reason here: [Click or tap here to enter text.](#)

Sections Changed, if this is a Submission Update: (List all sections changed.)

[Click or tap here to enter text.](#)

Summary of Changes: (Summarize updates made.)

[Click or tap here to enter text.](#)

3. Attach [Project Approval Executive Transmittal](#) to your email submission.
4. Attach [Stage 1 Project Reportability Assessment](#) to your email submission.

1.3 Business Sponsorship

1. Executive Champion (Sponsor)

Title: [Chief Deputy Director](#)

Name: [Deanna Ping](#)

Business Program Area: [Public Works Unit](#)

Title: [Chief, Office of Strategic Enforcement](#)

Name: [Dominic Forrest](#)

Business Program Area: [Public Works Unit](#)

2. Business Owner

Title: [Regional Manager Public Works](#)

Name: [Lorna Espiritu](#)

Business Program Area: [Public Works Unit](#)

Title: [OD-Research, Deputy Chief](#)

Name: [Silvestre Rojas](#)

Business Program Area: [Prevailing Wage Determinations](#)

3. Product Owner

Title: [Product Owner](#)

Name: [Dominic Forrest, Silvestre Rojas & Lorna Espiritu](#)

Business Program Area: [Public Works](#)

TIP: Copy and paste or click the + button in the lower right corner on any section to add additional Executive Champions, Business Owners, or Product Owners with their related Business Program Areas as needed.

1.4 Stakeholder Assessment

The Stakeholder Assessment is designed to give the project team an overview of communication channels that the state entity needs to manage throughout the project. More stakeholders may result in increased complexity to a project.

1. Indicate which of the following are interested in this proposal and/or the outcome of the project. (Select 'Yes' or 'No' for each.)

State Entity Only: Yes

Other Departments/State Entities: Choose Yes or No.

Public: No

Federal Entities: No

Governor's Office: No

Legislature: Yes

Media: No

Local Entities: No

Special Interest Groups: No

Other: Choose Yes or No.

2. Describe how each group marked 'Yes' will be involved in the planning process.

Designated internal users (DIR LCO Public Works, DIR OD Research, DAS and LETF) will participate in planning & analysis, requirements gathering including creating user personas and journey maps, DD&I, user training, and user acceptance testing of the new system. They are the primary users of the data in the new system. They will use the new system to perform their daily activities and tasks for Public Works, Prevailing Wages, LETF and Apprenticeship.

1.5 Business Program

1. Business Program Name: Public Works Unit

2. Program Background and Context: (Provide a brief overview of the entity's business program(s) current operations.)

Pursuant to Assembly Bill 175 (Chapter 255, 2021), the sum of \$30,000,000 was appropriated from the Labor and Workforce Development Fund for support of The Department of Industrial Relations (DIR) for strategic enforcement focused on construction, alteration, and repair projects, subject to the provisions of Section 1785 of the Labor Code. A portion of the resources would be allocated to DIR OIS in an effort to upgrade the current Public Works data systems and create a technical capability for analytics using this data. There are five program areas that DIR has been asked to address within of the strategic enforcement oversight scope. These are:

- 1) Electronic Certified Payroll Records - Contractors are required to provide DIR electronic certified payroll records (eCPRs) for most projects, with some exceptions (projects under \$25,000, projects operating under a project labor agreement and projects overseen by Labor Compliance Programs). eCPRs have critical employee data, including employee's name, address, social security number, job classification, journey-worker/apprentice designation, hourly rates, fringe benefits including training fund contributions, payroll deductions, travel and subsistence payments, and net wage amounts. The eCPRs also contain project specific data, which include project name, project identification number, and project address number. This system is a stand-alone system within the Division of Labor Standards Enforcement (DLSE).
 - Pursuant to Assembly Bill 1023 - the contractor or subcontractor is required to furnish those records at least once every 30 days while work is being performed on the project and within 30 days after the final day of work performed on the project. The bill also requires that the contractor or subcontractor furnish these records in an electronic format, in the manner prescribed by the Labor Commissioner, on the department's website. A contractor or subcontractor who fails to furnish those records relating to its employees in the manner specified is liable for a penalty of \$100 per day, not to exceed \$5,000 per project, to be deposited into the State Public Works Enforcement Fund. The Labor Commissioner does not levy penalties under these provisions until 14 days after the deadline for furnishing records and requires that these penalties accrue to the actual contractor or subcontractor that failed to furnish those records.
- 2) Public Works Projects Registration - PWC-100 forms are completed by the awarding body. An awarding body refers to a department, board, authority, officer or agent awarding a contract for public work. In most cases the awarding body is a unit of state or local government, such as a city, county, school district, water district, special district, or a state agency. However, in some cases the body awarding the contract may be a private entity (such as a developer) that uses public funds for a public works construction project. The completion and the submission of this form fulfills the required public works project award notification as required by Labor Code sec. 1773.3 (replacing former DAS-13 notification) and 8 Cal. Code Reg. sec. 16451(a).
- 3) Prevailing Wage Tracking - The DIR issues prevailing wage determinations semiannually based on the general prevailing rate of per diem wages for a particular craft, classification, or type of worker by county in most cases (or portion of a county) for all 58 California Counties. The process of these determinations also needs to be upgraded.
- 4) Apprenticeship Activity - All public works construction contracts valued at \$30,000 or more carry an obligation to hire apprentices, unless the craft or trade does not require the use of apprentices, as indicated in the corresponding prevailing wage determination. This duty applies to all contractors and subcontractors on a project, even if their part of the project is less than \$30,000. The Division of Apprenticeship Standards (DAS) utilizes the California Apprenticeship System (CAS), the forms DAS 140 & 142 and the Training Fund Contributions (CAC 2) to track this process.
- 5) Inspections of Publicly Funded Construction projects - The Labor Enforcement Task Force (LETF) is leading the strategic enforcement initiative in inspecting publicly funded construction sites to ensure employers provide workers' compensation insurance and follow labor laws; including applicable prevailing wage laws, skilled and trained workforce requirements, workplace health and safety requirements, and apprenticeship standards. The enforcement effort includes teams from DIR's Division of Occupational Safety and Health (Cal/OSHA), DLSE [Labor Commissioner's Office

(LCO)], and other enforcement partners. The LETF FileMaker database currently tracks the results of these joint enforcement activities.

3. How will this proposed project impact the product or services supported by the state entity?

One major goal of the Public Works program is to reduce the manual work required for each Public Works case. Another goal is to reduce the time needed for the public to submit data, this will improve the public facing system usability. The data can be tracked easily and can be more organized. The systems will be interconnected, and this will result in increased efficiency and decreased workaround times. Need to reference the goal of developing the data and systems needed for strategic enforcement. Will the Public Works Unit be responsible for Strategic enforcement, or will the unit just be responsible for providing the data to other units? If the latter, these groups should be named.

The OD-Research Unit, Wage Claim Adjudication Unit, Bureau of Field Enforcement, Retaliation Unit, Cashiering Unit are unable to reference Public Works data efficiently when engaging with the public at large during obligations while working at the public facing front counter at several district offices as well as while working on the telephone during public information duty. They must access multiple websites and databases to attempt to find data.

OD-Research publishes prevailing wage determinations that are effectively the minimum wages that must be paid on all California public works projects. The consolidation and upgrade of the prevailing wage determination systems will affect how OD-Research conducts certain aspects of its business. The goal is to be able to deliver prevailing wage determination information to the regulated public in a streamlined, uniform, and user-friendly manner. OD-Research program output is later used as input for public works compliance and enforcement by public agencies, contractors, and compliance/enforcement organizations.

TIP: Copy and paste or click the + button in the lower right corner to add Business Programs, with background and context and impact descriptions as needed.

1.6 Project Justification

1. Strategic Business Alignment

Enterprise Architect

Title: Enterprise Architect

Name: Jack Chu

Strategic Plan Last Updated? 1/4/2021

Strategic Business Goal: Goal1: Ensure Workers Health, Safety, and Rights are safeguarded

Alignment: 1. This project will help enforce laws to promote occupational safety and health and prevent workplace injuries and illnesses for workers.

Alignment: 2. This project will help provide focused education and resources to workers to promote awareness of labor law requirements.

Strategic Business Goal: [Goal 2: Support Employer Education and Ensure Equitable Enforcement.](#)

Alignment: 1. This project will help provide focused education to employers to promote awareness and compliance with labor law requirements.

Alignment: 2. This project will help provide focused education to employers to promote awareness and compliance with labor law requirements.

Strategic Business Goal: [Goal 3: Continue Improving Access and Efficiency of Services](#)

Alignment: 1. This project will help expand online services for employers and workers to minimize administrative burdens, improve access to services, streamline online tools, and increase compliance..

Alignment: 2. This project will help create a culture of continuous, data-driven improvements with proper controls and improved access to information for all.

Alignment: 3. This project will help identify opportunities for increased collaboration inside the Department, with community partners, stakeholders and other state and federal agencies.

TIP: Copy and paste or click the + button in the lower right corner to add Strategic Business Goals and Alignments as needed.

Mandate(s): [State](#)

Bill Number/Code, if applicable: [AB1023](#)

Add the Bill language that includes system-relevant requirements:

[Click or tap here to enter text.](#)

TIP: Copy and paste or click the + button in the lower right corner to add Bill Numbers/Codes and relevant language as needed.

2. Business Driver(s)

Financial Benefit: [No](#)

Increased Revenue: [No](#)

Cost Savings: [No](#)

Cost Avoidance: [No](#)

Cost Recovery: [No](#)

Will the state incur a financial penalty or sanction if this proposal is not implemented? [No](#)

If the answer to the above question is “Yes,” please explain:

[Click or tap here to enter text.](#)

Improvement

Better Services to the People of California: [Yes](#)

Efficiencies to Program Operations: [Yes](#)

Improved Equity, Diversity, and/or Inclusivity: [Yes](#)

Improved Health and/or Human Safety: [Yes](#)

Improved Information Security: [No](#)

Improved Business Continuity: [Yes](#)

Improved Technology Recovery: [Yes](#)

Technology Refresh: [No](#)

Technology End of Life: [No](#)

1.7 Business Outcomes Desired

Executive Summary of the Business Problem or Opportunity:

Pursuant to Assembly Bill 175 (Chapter 255, 2021), the sum of \$30,000,000 was appropriated from the Labor and Workforce Development Fund for support of The Department of Industrial Relations (DIR) for strategic enforcement focused on construction, alteration, and repair projects, subject to the provisions of Section 1785 of the Labor Code. The \$30 million would provide enhanced strategic enforcement to target employers in the construction industry working on public works projects who are noncompliant with various labor laws. \$10,000,000 has been allocated to DIR OIS in an effort to upgrade the current Public Works data systems. The Public Works unit utilizes several standalone databases/systems. The standalone aspect is inefficiently allocating time and resources towards searching multiple sources rather than utilizing time toward applying data analytics to conduct strategic enforcement. The public facing systems are also inefficiently requiring a lot of time of DIR’s constituents and stakeholders to submit detailed information which is not being reviewed or utilized to the full potential. There is an opportunity to upgrade and combine all of the individual systems into 1 master database. This will increase efficiency for both DIR and Public users. Furthermore, DIR will have the opportunity to implement data analytics methods to analyze data across various systems with the goal of enhancing strategic enforcement capabilities.

DIR is planning to align multi-division public works data systems to address the underpayment of wages to workers on a public works project and ensure effective enforcement. The scope of this initiative would include an upgrade to the eCPR system, Prevailing wage determination system, and linking it to the PWC 100 and California Apprenticeship System. Once these

systems are upgraded and linked, research and data mining could be conducted to generate leads.

Objective ID: [PW-1](#)

Objective: To combine all individual systems into 1 master database. To create automated flagging/mining in terms of specific areas of strategic enforcement such as completed projects (pwc100), unregistered/unrenewed/lapsed contractors, unregistered apprentices, noncompliant eCPRs or nonsubmission of eCPRs (AB1023).

Metric: To combine the data from separate public works systems (eCPR, PWC-100, public works contractor registration, apprenticeship, and two prevailing wage systems) and have the the system check the external user inputs from public works employers against the internal inputs in the other modules which contain public works requirements data to identify potential compliance issues.

Baseline: Currently, none of the systems are combined and none of the reports in any system are used by the eCPR system to check for compliance with public works requirements. eCPRs are not currently checked in an automated manner.

Target Result: Combine all six systems into one system

Objective ID: [PW-2](#)

Objective: To have the PWC100 system contain algorithms that prompt an automation for strategic lead enforcement such as notifications to internal staff regarding project completions for prioritizing investigative case statutes, unregistered/lapsed contractors for strategic enforcement of levying penalties for such violations, and noncompliant eCPR submissions from the listed contractors on the PWC100s in the strategic enforcement of Labor Code 1776 And/or AB1023.

Metric: [Defer to Stage 2](#)

Baseline: [Defer to Stage 2](#)

Target Result: [Defer to Stage 2](#)

Objective ID: [PW-3](#)

Objective: To have the system contain code/algorithms that prompt an automation for strategic lead enforcement for noncompliant/lapsed/unregistered contractors that are currently working on projects listed on the PWC100.

Metric: [Defer to Stage 2](#)

Baseline: [Defer to Stage 2](#)

Target Result: [Defer to Stage 2](#)

Objective ID: [PW-4](#)

Objective: To combine two prevailing wage databases for journey level specialty trades and for apprentices and to enhance future database to accommodate wage determinations for basic trades and residential projects which are not currently captured as structured data in either of the two existing prevailing wage databases.

Metric: The data from the prevailing wage module would allow for automated checks once all of the prevailing wage data is captured in a system in a structured manner.

Baseline: Journey level specialty trade and apprentice wage data is captured in a database currently. None of the prevailing wage data is used by the eCPR system to check for compliance in an automated manner.

Target Result: Specialty trade, basic trade, apprentice and residential project wage determinations will be captured in a single database. Measurement Method: All of the above referenced wage determinations will be captured in a single system in a structured manner that will make compliance checks possible (eCPR).

TIP: Copy and paste or click the + button in the lower right corner to add Objectives as needed. Please number for reference.

TIP: Objectives should identify WHAT needs to be achieved or solved. Each objective should identify HOW the problem statement can be solved and must have a target result that is specific, measurable, attainable, realistic, and time-bound. Objective must cover the specific. Metric and Baseline must detail how the objective is measurable. Target Result needs to support the attainable, realistic, and time-bound requirements.

1.8 Project Management

1. Project Management Risk Score: 0.6

(Attach a completed [Statewide Information Management Manual \(SIMM\) Section 45 Appendix A Project Management Risk Assessment Template](#) to the email submission.)

2. Project Approval Lifecycle Completion and Project Execution Capacity Assessment

Does the proposal development or project execution anticipate sharing resources (state staff, vendors, consultants, or financial) with other priorities within the Agency/state entity (projects, PALs, or programmatic/technology workload)?

Answer: No

Does the Agency/state entity anticipate this proposal will result in the creation of new business processes or changes to existing business processes?

Answer (No, New, Existing, or Both): Both New and Existing Processes

1.9 Initial Complexity Assessment

1. Business Complexity Score: 1.1

(Attach a completed [SIMM Section 45 Appendix C](#) to the email submission.)

2. Noncompliance Issues: (Indicate if your current operations include noncompliance issues and provide a narrative explaining how the business process is noncompliant.)

Programmatic regulations: **No**

HIPAA/CIIS/FTI/PII/PCI: **No**

Security: **No**

ADA: **No**

Other: **No**

Not Applicable: **Choose Yes or No.**

Noncompliance Description:

[Click or tap here to enter text.](#)

3. Additional Assessment Criteria

If there is an existing Privacy Threshold Assessment/Privacy Information Assessment, include it as an attachment to your email submission.

How many locations and total users is the project anticipated to affect?

Number of locations: **50**

Estimated Number of Transactions/Business Events (per cycle): **Defer to Stage 2**

Approximate number of internal end-users: **150-200**

Approximate number of external end-users: **None**

1.10 Funding

Planning

1. Does the Agency/state entity anticipate requesting additional resources through a budget action to **complete planning** through the project approval lifecycle framework? **No**

If Yes, when will a budget action be submitted to your Agency/DOF for planning dollars?

[Click or tap to enter a date.](#)

2. Please provide the Funding Source(s) and dates funds for planning will be made available:

Special Fund has been available since July 3, 2022.

Project Implementation Funding

1. Has the funding source(s) been identified for **project implementation**? **Yes**

If known, please provide the Funding Source(s) and dates funds for implementation will be made available:

Special Fund has been available since July 3, 2022. Proposed implementation start date is 3/1/2023.

Will a budget action be submitted to your Agency/DOF? [No](#)

If “Yes” is selected, specify when this BCP will be submitted: [Click or tap here to enter text.](#)

2. Please provide a rough order of magnitude (ROM) estimate as to the total cost of the project:
[Between \\$10 Million and \\$50 Million](#)

End of agency/state entity document.

Please ensure ADA compliance before submitting this document to CDT.

When ready, submit Stage 1 and all attachments in an email to ProjectOversight@state.ca.gov.

Department of Technology Use Only

Original "New Submission" Date: [11/15/2022](#)

Form Received Date: [11/15/2022](#)

Form Accepted Date: [11/15/2022](#)

Form Status: [Completed](#)

Form Status Date: [11/15/2022](#)

Form Disposition: [Approved](#)

If Other, specify: [Click or tap here to enter text.](#)

Form Disposition Date: [11/15/2022](#)

Department of Technology Project Number (0000-000): [7350-095](#)