

DEPARTMENT OF INDUSTRIAL RELATIONS

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June 10, 2010

Oak Grove School District
6578 Santa Teresa Blvd.
San Jose, CA 95119

Attn.: Bennie Howard, Director of Modernization

RE: Application for Approval of Labor Compliance Program
LCP ID No. 2010.00653

Dear Mr. Howard:

In accordance with the provisions of Title 8, California Code of Regulations; section 16425, the application for approval of Oak Grove School District Labor Compliance Program is hereby denied. This action is based on the program's failure to establish its ability and capacity to operate an effective labor compliance program in accordance with applicable legal requirements. In particular, the Department is concerned with the lack of personnel to enforce a labor compliance program, relying on an outside consultant and no district staff assigned to perform actual compliance activities as outlined in the regulations. Further, there is an inherent conflict of interest with having a consultant employed by Blach Construction perform compliance monitoring on projects. Your application also indicated that you have been operating this program since 2003 but the Labor Commissioner has no record of any requests for forfeiture being forwarded for approval.

We would also like to call your attention that regulations have been submitted to the Office of Administrative Law to make further changes to the rules applicable to the Labor Compliance Programs. We anticipate the changes will become effective on August 1, 2010 and may significantly limit the manner in which awarding bodies may use third party LCPs and outside consultants to enforce state prevailing wage requirements. For additional information about these proposals, please visit our website at www.dir.ca.gov/lcp.asp.

If you have any questions about this determination, please contact Victor Osorio, at 415-703-5054.

Sincerely,

A handwritten signature in black ink, appearing to read "Nance S. Steffen".

Nance S. Steffen, Special Assistant
to the Director of Industrial Relations

cc: Regional Manager, Division of Labor Standards Enforcement