

CALIFORNIA PUBLIC WORKS COMPLIANCE BRIEF

OCTOBER 2026 | 4-MINUTE READ | A CLIENT SERVICE FROM COLBI

New Bidder Disclosures Start January 1

The bottom line: California has enacted a new disclosure requirement for contractors bidding on local-agency public works contracts. Agencies should use the remaining months of 2026 to update their bid documents and establish an appeal process.

WHAT WE'RE WATCHING

An enacted law - not a proposal

Assembly Bill 1838 was signed on September 27, 2026, as Chapter 551. It adds Section 2011 to the Public Contract Code and takes effect January 1, 2027.

WHAT HAPPENED

A new five-year disclosure requirement

For covered public works contracts, a contractor must disclose applicable federal, state, and local wage-and-hour violations from the preceding five years.

Covered violations include final judgments, orders, or administrative determinations involving:

- Unpaid wages or overtime
- Meal or rest-break violations
- Misclassification of employees or independent contractors

When applicable, the contractor must also provide documents showing that each violation has been corrected or resolved, together with proof that fines, penalties, and back wages were paid in full.

Incomplete disclosure may result in bid disqualification. Before disqualifying a bidder, however, the local agency must provide notice and a meaningful opportunity for the bidder to respond.

WHAT HAPPENED - CONTINUED

A process is required before disqualification

Before disqualifying a bidder for an incomplete disclosure, the local agency must provide:

- Written notice explaining the basis for disqualification and the supporting evidence
- An opportunity for the contractor to rebut that evidence
- An opportunity to present evidence supporting its qualification

WHAT THE LAW DOES NOT DO

It does not direct agencies to automatically reject every contractor with a disclosed violation. Its disqualification provision addresses failure to provide the required disclosure and supporting materials.

A contractor also cannot be disqualified for a determination under appeal when it has secured the potential payment through a bond or another appropriate method.

TWO IMPORTANT EXEMPTIONS

The requirements do not apply to:

Project labor agreement

A public works contract covered by a project labor agreement.

Qualifying prequalification

A project for which the agency requires prequalification that includes all of the law's specified five-year wage-and-hour disclosures.

WHY IT MATTERS

The change reaches the full procurement workflow

This change reaches the bid package, responsiveness review, award schedule, and protest or appeal process.

Agencies should identify who will review disclosures, what constitutes sufficient supporting documentation, and who will decide an appeal. The procedure should allow meaningful review without creating avoidable uncertainty in the award timeline.

Agencies considering the prequalification exemption should confirm that their complete prequalification process collects every disclosure specified by the new law. A general labor-compliance question may not be sufficient by itself.

WHAT TO CHECK

Three questions for your team

1

Bid documents

Do your instructions and required forms collect the complete five-year disclosure and supporting documentation?

2

Appeals

Is there a written process covering notice, evidence, rebuttal, decision authority, and timing?

3

Prequalification

Does your process collect all disclosures required for the exemption, or will you need a separate bidder disclosure form?

HOW COLBI CAN HELP

Support the workflow - not the legal determination

QualityBidders helps agencies evaluate contractor qualifications by collecting and organizing information about licensing, financial capacity, safety, labor compliance, and project history. Agencies using prequalification should review their existing requirements with legal counsel to determine whether additional disclosures are necessary to qualify for the AB 1838 exemption.

SecureBids can help agencies distribute updated bid documents, collect required bidder disclosures, and maintain an organized procurement record.

Need assistance? COLBI can help agencies identify where their existing QualityBidders and SecureBids workflows can support implementation of the new requirements. Final compliance determinations remain with each agency.

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GO DEEPER

Primary sources

- [AB 1838 legislative record and chaptered text](#)
- [Governor's September 27 signing announcement](#)
- [California Department of Finance analysis](#)

This brief provides general educational information and is not legal advice or a complete statement of applicable law. Agencies should consult legal counsel regarding their specific circumstances.