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COMPLIANCE SYSTEM USER FEE

Notice to City Contractors and Vendors - Proposed New Fee

The City of San Diego is proposing a new Compliance System User Fee to recover the reasonable costs of operating and administering the City's web-based labor and contract compliance monitoring system. The fee is subject to City Council approval. If approved, the proposed implementation date is November 1, 2026.

Why Is The City Updating The Fee?

The City uses a web-based labor and contract compliance monitoring system to receive, review, monitor, store, and report information required under applicable labor and contracting requirements. This includes certified payroll records, workforce reports and worker data, subcontractor utilization and payment information. The proposed fee would support system licensing, hosting, maintenance, project setup, contractor onboarding, technical assistance, compliance reporting, and related administrative costs. It is intended to recover the City's reasonable costs.

Who Is Subject To This Fee?

The fee would apply to Prime Contractors on covered City contracts of \$15,000 or more that are referred for labor or contract compliance administration. Covered contracts would include contracts subject to prevailing wage, living wage, Project Labor Agreement, workforce reporting, subcontractor reporting, or other applicable compliance requirements. The fee would not be separately assessed to subcontractors.

How Will The Fee Be Assessed?

The fee would be assessed once per covered contract based on the contract value at the time of award. For Job Order Contracts and As-Needed agreements, the fee would be assessed for each covered task order when issued.

What Are The Proposed Fees?

Employee count is based on the average number of employees over a 12-month period. Independent contractors and business owners are not employees; paid corporate officers are counted.

Contract Value (Award)	Proposed Fee
\$15,000 - \$49,999	\$144.35
\$50,000 - \$149,999	\$253.13
\$150,000 - \$499,999	\$456.41
\$500,000 - \$999,999	\$693.32
\$1M - \$4.999M	\$1,386.64
\$5M - \$9.999M	\$2,192.49
\$10M - \$29.999M	\$3,580.30
\$30M or more	\$4,853.24

Questions or Need Help?

For questions about the proposed fee updates or ordinance requirements, contact OLSE at OLSE@sandiego.gov.