



Amendment to Contractor and Consultant Policy – Exception Process for Contractor Documentation

Purpose

This Amendment establishes a procedure by which the Heather Glen Community Services District (“District”) may allow limited exceptions to the contractor documentation requirements outlined in the adopted Contractor and Consultant Policy (Policy 2120). The purpose is to provide narrowly tailored flexibility for rare cases where a fully documented contractor is not available, while maintaining legal compliance and minimizing risk to the District.

1. Authorization of Exceptions

The District may grant exceptions to the following standard documentation requirements:

- Valid Business License
- General Liability Insurance
- Workers’ Compensation Insurance

However, such **exceptions must only be considered when no fully qualified and properly documented contractor is available** to perform the required work in a timely and reasonable manner.

An exception shall **not be granted solely because**:

- The contractor is a personal or professional associate of a Board or committee member; or
- The contractor submitted the lowest bid or informal quote.

Full compliance with contractor documentation requirements (under Policy 2120.2) shall remain the **preferred and prioritized method of procurement**.

An exception is permissible only when **all** of the following conditions are met:

1.1. Liability Waiver and Certification



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The contractor or consultant must sign and submit a **District-approved Liability Waiver and Hold Harmless Agreement**. This agreement shall:

- Affirm that the contractor is **not legally required** to hold the license or insurance being exempted or is knowingly and voluntarily waiving such requirements;
- Release the District, its board members, officers, agents, and volunteers from **all liability**, including but not limited to injury, illness, death, property damage, and financial loss;
- Confirm that the contractor is an **independent entity** and is **not entitled to any workers' compensation or employee benefits** from the District;
- If performing **physical onsite work**, certify that the contractor is either:
 - Properly licensed by the California Contractors State License Board (CSLB); **or**
 - **Legally exempt** from CSLB licensing under California law (see clarification below);
- Certify that the contractor is either:
 - Covered by their own valid workers' compensation insurance policy; **or**
 - **Exempt under California Labor Code Section 3700** (e.g., sole proprietor without employees).

1.1.1 Clarification on CSLB Licensure Requirements

Under California law, any person performing **construction or physical labor** with a total cost (labor + materials) of **\$500 or more** must be licensed by the **California Contractors State License Board (CSLB)** unless exempt.

CSLB licensure is generally required for:

- Construction, repair, roofing, demolition, excavation, grading, electrical, plumbing, HVAC, landscaping, paving, painting, window replacement, and other physical site work.

Exemptions apply only when:

- The total cost is **under \$500** (cannot be split to avoid licensing);
- The contractor is performing only **consulting/advisory work**;
- The contractor qualifies under an **owner-builder exemption**;
- The contractor is a **W-2 employee** of a licensed contractor.



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All licensing claims shall be verified at <https://www.cslb.ca.gov>, and any exemption claim must be documented in writing and retained.

1.2 Committee Chair Review and Approval

The applicable Committee Chair must review the exemption request and approve it in writing, confirming:

- The contractor or consultant is appropriately qualified for the scope of work;
- The exemption is in the **best interest of the District**;
- The work does **not pose undue risk** to the District or the public;
- The work complies with all applicable state licensing and insurance requirements;
- No fully qualified and documented contractor was reasonably available; and
- All required documentation, including the **signed waiver**, has been received and reviewed.

1.3 Board Notification

All exemptions granted under this Amendment shall be reported to the full Board of Directors at the next regularly scheduled Board meeting.

2. Restrictions on Exceptions

- **No exemption** may be granted where it would result in the District violating:
 - California Public Contract Code;
 - California Labor Code;
 - California Government Code §1090 or §4526;
 - Any requirement imposed by grant funding or regulatory agency.
- **No exemption** may be granted for:
 - Work that **legally requires CSLB licensure** and the contractor does not possess it;
 - Work that is hazardous, high-risk, or involves demolition, excavation, structural changes, or heavy machinery;
 - Projects subject to **public bidding requirements** under Policy 2120.3.

3. Workers' Compensation Disclaimer

The District confirms that it does **not employ any workers** and does **not carry Workers' Compensation Insurance**.

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All independent contractors or consultants must:

- Certify that they are **not District employees**; and
- Either:
 - Provide their own valid Workers' Compensation Insurance; **or**
 - Sign a waiver acknowledging legal exemption and assuming all liability.

4. Recordkeeping Requirements

All exemption documentation — including the signed waiver, Committee Chair's written approval, and supporting evidence — shall be retained by the District for a **minimum of five (5) years** and made available for public or legal review upon request.

5. Legal and Policy Compliance

This Amendment does **not override** California law or District policies except where permitted by law.

All exceptions must remain compliant with:

- **California Labor Code §3700;**
- **California Public Contract Code;**
- **Government Code §§1090 and 4526;**
- **District's Conflict of Interest Code;**
- **District Policy 2120.**

In the event of any legal conflict, **California law shall govern.**

6. Severability

If any portion of this Amendment is found invalid, the remaining provisions shall remain in full force and effect.

7. Effective Date

This Amendment is effective upon approval by the Board of Directors and shall remain in force unless modified or rescinded by Board action.

Approved by the Board of Directors on: _____

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HEATHER GLEN COMMUNITY SERVICES DISTRICT

Signed:

Charles Williams
Board President, Heather Glen Community Services District

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Contractor Liability Waiver and Hold Harmless Agreement

For Use When Contractor Documentation Requirements Are Exempted Under District Policy

Contractor Information

- **Contractor Name:** _____
- **Business Name (if applicable):** _____
- **Mailing Address:** _____
- **Phone:** _____
- **Email:** _____

Work Description

Briefly describe the services or work being performed:

1. Independent Contractor Acknowledgment

Contractor affirms that they are acting as an **independent contractor**, not an employee, agent, or representative of the District. This Agreement does not create an employment relationship, joint venture, partnership, or agency between the Contractor and the District.

2. Waiver of Standard Requirements

Contractor understands that under normal District policy, the following are required:

- A valid **Business License**
- Proof of **General Liability Insurance**
- Proof of **Workers' Compensation Insurance**

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- A valid **CSLB License**, if applicable

Contractor acknowledges that they are requesting to perform work **without providing one or more** of the above documents, and that the District is **only considering this exemption due to the unavailability of a fully documented contractor**.

Contractor certifies that:

- I am legally exempt from the missing requirement(s); **OR**
- I understand and accept **full personal liability** for proceeding without these protections.

3. Assumption of Risk and Responsibility

Contractor knowingly and voluntarily assumes **all risks** associated with the services provided, including injury, illness, property damage, or financial loss.

Contractor further acknowledges:

- They are **not covered** under any District insurance policy.
- They are **solely responsible** for any necessary insurance coverage.
- They carry workers' compensation insurance or are **legally exempt** under CA Labor Code §3700.
- The District has **no Workers' Compensation insurance** and provides **no employee benefits**.
- They are **not receiving this exemption** based on a personal relationship or low bid.

4. Waiver, Release, and Indemnification

Contractor **waives, releases, and discharges** the District and its officers, board members, agents, and volunteers from **any and all claims, demands, or causes of action** related to:

- Injury (including death), illness, or property damage to any person
- The performance of services under this Agreement
- Contractor's failure to meet normal documentation requirements

Contractor further agrees to **indemnify, defend, and hold harmless** the District from any such claims arising out of:

- The Contractor's services or conduct
- Any act or omission of the Contractor
- Any violation of applicable law or regulation

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5. Contractor Certification

I certify under penalty of perjury that:

- I am qualified and capable of performing the work described;
- I understand I am not an employee of the District and am not entitled to employee benefits;
- I am voluntarily proceeding without one or more standard documentation items (e.g., license, insurance) and accept full responsibility for any consequences;
- I understand the legal and financial risks associated with performing this work;
- I have not been selected based on personal relationship, convenience, or cost alone.

Contractor Initials: _____

6. Governing Law

This Agreement is governed by the laws of the State of California. Any legal action shall be filed in a court of competent jurisdiction in Placer County, California.

7. Entire Agreement

This Agreement represents the entire understanding between the parties and supersedes any prior written or oral agreements regarding the subject matter herein.

Execution

Executed on this _____ day of _____, 20____

Contractor Signature: _____

Printed Name: _____

District Representative Signature: _____

Printed Name & Title: _____

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Contractor Documentation Exemption Request & Approval Form

(For All Exceptions to Standard Licensing and Insurance Requirements)

Section 1: Contractor Information

- Contractor Name: _____
- Business Name (if applicable): _____
- Phone: _____
- Email: _____
- Service Description / Scope of Work: _____

- Estimated Project Value: \$ _____
- Duration of Work: _____

Section 2: Documentation Being Exempted

(Check all that apply)

- Business License
- General Liability Insurance
- Workers' Compensation Insurance
- CSLB License (contractor claims exemption)
- Other: _____

Section 3: Justification for Exemption

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(Attach additional pages if necessary)

- Fully documented contractor bids were solicited and considered prior to granting this exemption.
 - No fully documented contractors were available or able to perform the work within the required timeframe.
 - Contractor has submitted a signed Contractor Liability Waiver and Hold Harmless Agreement.
 - Contractor is legally exempt or assumes full liability for missing documentation.
 - Contractor is appropriately skilled and qualified for the scope of work.
 - Work does not require public bidding under PCC, CUPCCAA, or grant rules.
 - No conflict of interest, preferential treatment, or improper influence is involved.
 - The exemption is in the best interest of the District.
 - Other justification: _____
-

Section 4: Committee Chair / Approver Review & Approval

By signing below, I acknowledge that I have reviewed the contractor's request for exemption, the available bids, and justification provided. I approve the exemption as consistent with District policy and confirm the contractor has signed the required waiver.

- **Name:** _____
- **Title:** _____
- **Signature:** _____
- **Date:** _____

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Section 5: Board Notification (if applicable)

This exemption will be reported at the next scheduled Board meeting on: _____

District Administrator Initials: _____

Attachments

- Copy of contractor's signed **Liability Waiver and Hold Harmless Agreement**
- Evidence of outreach to qualified contractors (if available)
- Other relevant documentation

