

OBTAINING THE C-27 CALIFORNIA LANDSCAPE CONTRACTORS LICENSE

By

Nick Logan

Horticulture and Crop Science Department
California Polytechnic State University
San Luis Obispo
2010

ABSTRACT

The purpose of this project was to obtain the C-27 contractors license in California while still continuing education at Cal Poly San Luis Obispo, prior to graduation. Experience and verification of experience is extremely important in the process of obtaining the C-27. Without sufficient experience in landscape contracting, attempting to obtain the license is futile. Some people have the experience needed and this project is aimed at helping those people realize they can take advantage of their knowledge and become licensed. Even if those eligible are not prepared to own and operate a landscaping business, having the license can be a very valuable asset to a company and may put one into higher consideration for a job position in an established company, such as Valley Crest.

ACKNOWLEDGEMENTS

The author wishes to thank several people who helped in the process of accomplishing the goals of this project.

I would like to thank my father Mark, my mother Julie, and my sisters Amanda and Makaela for always supporting me and pushing me to succeed. I am grateful everyday I have such a great family. I would also like to thank Gary LaSalle of LaSalle Electric, Daren Sing of Sing and Son Concrete, Bobby Ray Amis of Logan Landscape, as well as David and Justin Ray of David Ray Construction for their continued efforts to further my education in the field of contracting and contributing to my success in obtaining the C-27 landscape contractors license.

I would also like to thank my senior advisor, Tiffany Anne Faulstich, for her continuous support and dedication to this senior project. Last, but certainly not least, I would especially like to thank retired professors Ray Duane Morris and George Newell from Cal Poly San Luis Obispo for their dedication to the students at Cal Poly. They both helped me prepare for my license exam and dedicated their time to further teach me in the field of landscape contracting, and without their knowledge and expertise, I most certainly would not have obtained my C-27 license. Thank you all for your support.

TABLE OF CONTENTS

Section	Page
I. Introduction.....	1
II. Literature Review.....	3
Background on the California Contractors License.....	3
Obtaining the C-27 Contractors License.....	5
Objectives.....	8
III. Materials and Methods.....	10
IV. Results and Discussion.....	13
References.....	15

Introduction

In the field of landscape contracting there are many ways to diversify your business. Some contractors choose to specialize in various aspects of landscaping, such as sustainability, design, etc. while others choose to explore every possibility available in the landscape contracting trade. To do this, one needs to obtain a contractor's license from the state in which they choose to do business, of which there are many options. One can obtain the C-27 landscape contractor's license to perform virtually every aspect of landscape construction. They can bid jobs from landscape maintenance at private residences to landscape installation for commercial golf courses, based on the size and capabilities of their company. The C-27 license is not just assigned to a person who completes the law and trade portions of the C-27 contractors test, but moreover, it is assigned to a business. By obtaining the C-27, you obtain the first goal in starting a landscape contracting business.

Passing the C-27 test means that you are knowledgeable and capable of not only the legal parameters of the landscape contracting field, but you also know the various and technical aspects of the landscaping trade, that is, knowing what and how to physically start and finish virtually every aspect of landscaping described in the parameters of the C-27. This is important because one who chooses this line of work as their career must be knowledgeable in the scientific aspects of plants and trees and must know the techniques required to complete a job in a professional manner as well as per specifications for landscaping in various areas of the state. To pass the test, one needs to have personal experience in landscape contracting for five years, or a degree from a university with a few years of experience in the landscape contracting field. To

study for the test, one can enroll in specialty classes offered from the State Board, or one can obtain books to learn the parameters of the law and trade portions of the test.

The benefit of obtaining a C-27 license is that you are a business owner. You are the person in charge of the company and you are also responsible for everything that happens under your license. As college students, we all aspire to be some sort of executive rather than working a dead end job. If we had the opportunity to be a business owner or work in a high position in a profitable company, I am sure most would take it. I have this opportunity now thanks to the education received at Cal Poly as well as the personal experience I have gained over the years, and I intend to take advantage of this opportunity.

Background on the California Contractors License

To work on a project that costs more than \$500 for labor and materials, one needs to be licensed by the Contractors State License Board (CSLB). The Contractors State License Board was established in 1929 and is the governing body for all contractors today in the state of California, regulating all the laws that apply to contractors in California. There are many different types of contractors, 43 to be exact, and each is different from the other. For example, an A-class license is issued to General Engineering contractors, specializing in engineering construction. They are licensed to construct virtually anything from bridges and shipyards to railroads, highways, and airports.

The B-class license is for General Building contractors. They are much smaller than General Engineering contractors in that B-class license holders usually contract for the construction of a structure to enclose people or animals. Typically, B-class license holders build tract homes or individual homes, unless special engineering is required, in which a General Engineering contractor would have to be involved. Furthermore, B-class license holders are able to manage such jobs and subcontract at least two specialty contractors for the completion of the project, pending specifications for each particular project. For example, a person, or business, with a B-class license, can contract the construction of an entire house in which case they would need to subcontract plumbers, electricians, or whatever other specialized contractors that may need to be utilized to complete the construction.

These subcontracted professionals are specialty contractors, thus they or a business employing them needs to possess a C-class license. Thus, the C-class license is for Specialty Contractors. These license holders are needed because they have special skills in their building

trade. The range for C-class license holders includes Electrical, Framing, Painting, and Landscaping to Elevators, Plumbing, Masonry, and Roofing, and many more. (3)

These licensed contractors make people's lives enjoyable. They contract to build structures for private groups and persons, cities, and states. As noted earlier, they build bridges, sewers, houses, airports, and so on to accommodate for the way people live. Furthermore, to make such accommodations safe, contractors need to be licensed. By being licensed, contractors have taken tests to prove to the CSLB that they have knowledge and experience in their construction trade, and they also know the legal aspects and responsibilities of being a contractor in that trade. These contractors continually improve our way of living whether it be widening roads and establishing transportation services, or building a beautiful house with a pool and landscape.

Obtaining the C-27 Contractors License

To obtain a contractors license in general, one needs to take a two-part test: the Law portion and the Trade portion. The Law portion asks questions from a legal standpoint for all contractors, such as obtaining permits, inspections, and general safety requirements that must be followed. trade, whereas the Trade portion asks questions based on knowledge of how to perform accordingly in each trade. Both portions of the test have about 100 questions each and you are given about four hours to complete both portions of the test. The fee to apply for the contractors license is \$250, and the initial license costs \$150. The license is valid for two years until it needs to be renewed, which will cost \$300. To take the C-27 test, one needs to have 4 years of experience as a foreman or supervising employee before applying to take the test, and this experience must be verified by a qualified individual, such as an employer, city or building inspector, or an architect. However, this experience can be substituted. For example, if one has an A.A. degree from an accredited school in building or construction management, then they are eligible to receive up to one and a half years of experience. A four-year degree from an accredited college or university in accounting, business, mathematics, physics, or economics, is eligible for up to two years of experience. And lastly, three years of experience is granted to those who present a four-year degree from an accredited school in horticulture, landscape horticulture, construction technology, and engineering field pertaining to the C-27 classification, or a Certificate of Completion of Apprenticeship from a union or an accredited apprenticeship program. Furthermore, when the test is completed, the CSLB requires a bond before you may receive the license. Typically, the bond usually costs about \$12,500. (3,5)

The C-27 contractors license is issued to a business, partnership, or a joint venture, but the license belongs to the owner of the license, which is whoever took the test for the license, also known as the sole proprietor. The importance of obtaining a contractors license is that once you have your license, you technically own a business. Of course, one has to obtain insurance and other necessities to actually run the business, but you are now a business owner. This does not mean one has go into business right away. In most cases, opening and operating a business takes capital and a reputation, and that is not achieved overnight. One can work for another contracting company to build more experience and capital until they are ready to start their own business. Furthermore, if one has a license and is hired by an established contracting company, they will be placed into higher starting position because they have proved to the state of California that they know enough about the trade to open their own business, which is extremely valuable to any employer. (3,6)

The C-27 trade portion of the test is divided into seven sections: Landscape Design (15%), Job Estimation (23%), Site Preparation (13%), Hardscape Installation (9%), Irrigation System Installation (18%), Plant Material Installation and Landscaping Maintenance (13%), and Job Site Safety (9%). The law portion of the C-27 test is comprised of ten sections: Company start-up procedures (10%), Human Resources (6%), General Business Requirements (20%), Insurance and Bonds (7%), Pre-contract Considerations (12%), Proposals and Contracts (9%), Contract Compliance (9%), Public Works (4%), Safety (9%), and Legal (14%). The test is multiple choice and is taken in two parts with a small intermission between both portions. Completing the test requires a passing grade in both portions, but if one does not pass either portion, they are eligible to retake the test. However, if you pass one portion but fail the other, you do not have to retake the portion that was passed.(1,2)

Now, there are many options to prepare and study for this test. The most common option is to purchase a CD containing practice exam questions from the CSLS or individual contractor schools. This makes studying for the test much easier because one can study on a computer in the comfort of their home. However, one can choose to enroll in contractor licensing schools. These schools include the practice exam CD and generally include a 2-day class which is held for about eight hours each and cover the law and trade portions of the exam, one portion for each day. Generally they cover everything that you are going to see on the test, such as, how to do the calculations that will be on test, and how to efficiently prepare for the exam. Some contractor schools guarantee that 90% of their students pass the exam, which is a huge incentive to enroll in the school in order to increase the odds of success. Books and manuals may also be purchased to further help in test preparation. (4,5)

Objectives

Obtaining the C-27 Landscape Contractors License is no easy task. One has to have an extensive amount of knowledge in the Landscaping trade to simply apply for the license, not to mention prove such knowledge on a test. Many people who choose to career in the landscape contracting trade never obtain their license. As said earlier, obtaining a C-27 license essentially means you have become a business owner. And as a contractor, that is the ideal position to be in because you are the one in charge and have control over every aspect of the business. And with such a prestigious diploma as one given by Cal Poly San Luis Obispo, one has a good background to become a future business owner.

And so, becoming a business owner assumes a great amount of responsibility. Not just the responsibility to uphold good business practices, but also to take pride in the work that you do. California has so many diverse climates that the landscaping limits are ultimately endless. Just with that comes a great amount of responsibility. As a landscape contractor, it is one's job to make an environment more enjoyable for the people around it. Landscape contractors modify nature to bring a more elegant and beautiful landscape for others to perceive. This is the responsibility that is given to landscape contractors.

Personally, I intend on being a business owner. I want to integrate my company into my sister's existing landscape contracting company; marry them, if you will. With two C-27 licenses, we can own and operate two businesses and trade services from each other. There are many options, but one company can focus on maintenance, while the other focuses on installation and construction. In that case, each company would have their own equipment specifically intended for maintenance or construction. This is a huge benefit because, as said

earlier, we can trade services, laborers, and equipment from each other. I plan on being the CEO of both companies while my sister would be the CFO and office manager. I enjoy working in the field and seeing the results of the work we have done, which is very rewarding, whereas, my sister does not enjoy working in the field as much and would rather take care of office and financial matters.

Materials and Methods

After confirming you have the required experience needed to take contractors license exam, the next step is to fill out an Application for Original Contractor's License. These can be found conveniently on the CSLB website or at a Contractors State License Service office at the nearest convenient location. On the application, a new business name will be required. This is the name that the contracting business will operate under, upon completion of the exam. In the next section, a business entity needs to be stated. Sole Ownership, Partnership, or Corporation may be selected.

Sole Ownership states that the applicant is the sole proprietor of the license. A Partnership is the issuing of a license to a group of individuals or companies. These individuals or companies may already be specialized in various aspects of landscaping or development and may wish to acquire a C-27 license in order to have more jobs available to them in construction. This also applies to Corporations, which may wish to open alternate divisions in the company, such as Valley Crest Landscape Companies. Typically, Sole Ownership is the possibly the option most utilized because most people who get a C-27 license are expecting to open their own businesses in landscape construction. The next section is information on the qualifying individual which is personal information, such as, your full legal name, residence, etc.

Now the Certification of Work Experience needs to be stated. This information needs to be filled out by the applicant and the individual certifying the applicant's experience. Some of their personal information is needed as well in order to be held accountable for the certification. Finally, the last two sections include questions to the legitimacy of the application, the individual certifying the work experience, and of the business that was worked for. And at the very end of

the application, instructions for experience via education and apprenticeship are stated. Once the application is filled out, attach to it the application fee for a single classification (\$250) and send it to the Registrar of Contractors.

Then, once the application is accepted, fingerprints will need to be taken and submitted to the CSLB and the Live Scan operator. This can be easily accomplished at a police department. This Live Scan fingerprinting service will be distributed to the Department of Justice and the Federal Bureau of Investigation as part of a thorough background check. Along with the instructions to obtain the applicants fingerprints, a Notice to Appear for Examination will be provided. This notice is given at least three weeks prior to examination and will provide instructions on when and where the examination will take place.

Now, before you turn in the application, you should consider enrolling in a contractors school to take classes for the exam. There are various means to study for the exam and options are available at the nearest CSLS. Furthermore, the CSLS has recently introduced online study sessions. These sessions have practice questions in excess of 400 for the trade portion, and 600 for the law portion. A considerable amount of time for studying should be anticipated. This test is very difficult and should not be taken for granted. Considering that you already have experience in landscape construction, studying practice questions is highly recommended. Anticipate studying a few months prior to taking the exam to be prepared. Upon examination date, bring the Notice to Appear for Examination as well as proper picture identification, such as a DMV driver license. All supplies will be provided at the testing facility and no electronic devices are allowed inside the test room. A break will be given after completion of the first portion of the exam and ample time will be given to complete the exam.

Upon completion of each exam portion, pass or fail notification will be given. And once both portions have been passed, confirmation will be given to the applicant in order to meet insurance requirements. This usually includes the Initial Licensing Fee (\$150), a Contractors Bond in the amount of \$12,500 for insurance requirements, and the Exemption from Workers Compensation form, or Proof of Workers Compensation Insurance if you have obtained it already. However, an investigation may be opened on your application after you have completed the exam. The investigation is to ensure that the applicant has sufficient experience which can be verified using previous paycheck receipts, wage or tax documentation such as a W2 forms, material receipts and/or contracts from previous jobs performed. The investigator needs to personally meet with the applicant and verify their experience before the applicant can meet the above stated requirements. Upon completing these tasks, the CSLB will issue the applicant the Contractors License, and at that point, the license is active and the process is complete.

Results and Discussion

On January 4th, 2010, I obtained my C-27 Landscape Contractors License in the state of California. Despite adversity, I passed both the trade and law exam on my first attempt taking the exam. As stated previously, the test is not to be underestimated. Out of 30 people who took that test, only 5 people passed both parts of the exam that day. All 5 of those people who passed had taken the test previously and failed at least once, some twice.

Once I had passed the exam, the state processed my application but decided to open an investigation as of February. Being that I am 21 years of age, they need to verify that I have adequate experience in the field of landscape contracting. A meeting has been arranged and I will be presenting my experience through paycheck receipts, material receipts from previous jobsites, as well as my W2 tax information.

Once I have verified my experience and obtain my license, I plan to open my own landscape contracting business as soon as I possibly can. I want to be a commercial landscape contractor and continue my families' legacy. My sister has already opened her landscaping business, so I will partner with her business when I have graduated from Cal Poly. Logan Landscape is the legacy that was started by my grandfather, and I hope to maintain his reputation for being the best in Palm Springs by opening my own landscaping business and providing superior performance. Once I have become well established I hope to expand my business beyond the Coachella Valley, and with my license as well as my sister's, this is highly possible.

I hope to incorporate a nursery in my business in the near future. With the ties I have made with people in my major here at Cal Poly, I have already set up future plans with some students here. Their specialties will be very beneficial to my company once I have become

established. I intend on having a well-rounded company that will include any and all necessities needed to provide for any landscape desired by a customer, whether that be private, public, or commercial work.

Furthermore, to establish myself as a professional landscape contractor, I will need a reputation and clientele. Fortunately, I will be opening a business with an established clientele and reputation from my father and grandfather. We have an established clientele with a corporation that builds golf courses. They prefer our work over any other and will not hire other landscape contractors to do any work on their projects. We also have very good ties with the city inspectors in the Coachella Valley, which helps when public works contracts are out to bid. Furthermore, when it comes to funding my business, I can take a loan, or more probable, I will borrow money from my immediate family with intent to refund them. Capital is very important to obtain when starting a business. When I obtain my license, I will still be enrolled in Cal Poly. I hope to be able to do a few jobs in San Luis Obispo before I graduate and return home to the Coachella Valley and further grow my business there.

References

1. Anonymous. 2009. Study Guide for the Law and Business Examination. Department of Consumer Affairs: Contractors State License Board.
<http://www.cslb.ca.gov/Applicants/ExaminationStudyGuides/LAWLawAndBusiness.asp>
January 2009.
2. Anonymous. 2009. Study Guide for the Landscaping (C-27) Examination. Department of Consumer Affairs: Contractors State License Board.
<http://www.cslb.ca.gov/Applicants/ExaminationStudyGuides/C27Landscaping.asp>.
November 2007.
3. Anonymous. 2009. Department of Consumer Affairs: Contractors State License Board.
<http://www.cslb.ca.gov>. 2009.
4. Anonymous. 2009. Exam Preparation. California Contractors License School.
<http://www.contractorschool.com/exampreparation.html>. 2009.
5. Anonymous. 2009. California State License Services.
<http://www.contractorslicensingschools.com>. 2009.
6. Anonymous. 2009. California Landscape Contractors Association. <http://www.clca.org>.
2009.