

MICHIGAN ECONOMIC  
DEVELOPMENT CORPORATION

PURE *M*ICHIGAN®

## Chapter 10 Construction Management and Labor Standards

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# Labor Standards Training, Targets and Objectives

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After this training you should understand...

- Statutory Provisions
- General Labor Standards Requirements
- Basic Terminology
- Necessary Forms
- Red Flags

## Statutory Provisions

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- Davis Bacon Act (DBA) and Davis Bacon Related Acts (DBRA)
- Contract Work Hour Safety Standard Act (CHWSSA)
- Copeland Act (Kickback)

## Davis Bacon Act (DBA) and Davis-Bacon Related Acts (DBRA)

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The **Davis-Bacon Act** (DBA) and Related Acts (DBRA), apply to contractors and subcontractors performing on federally funded or assisted **contracts in excess of \$2,000** for the construction, alteration, or repair (including painting and decorating) of public buildings or public works.

Davis-Bacon Act and Related Act contractors and subcontractors must pay their laborers and mechanics employed under the contract:

- No less than wages including fringe benefits prevailing in the locality on projects of a similar character as determined by the Department of Labor (DOL)
- Wages not less often than once per week; and
- Post the applicable wage decision at the job site

## Copeland (anti-kickback) Act (CA)

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Applicable to contracts/projects subject to Davis-Bacon requirements. The Copeland (anti-kickback) Act

- Regulates deductions that may be taken from employee earnings
- Requires certification, submission and retention of weekly certified payroll reports
- Prohibits “kickbacks” from employee earnings
- Applies to contractors and subcontractors

## Contract Work Hours and Safety Standards Act (CWHSSA)

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- CWHSSA is applicable to prime contracts valued in excess of \$100,000. Any subcontracts covered by a prime contract are likewise covered.
- CWHSSA in part, mandates overtime plus fringe benefits **for hours worked on site** of covered work in excess of 40 hours per week.
- Requires premium overtime pay only when all hours considered under CWHSSA overtime requirements – 40 hours plus (O/T) hours- are **performed on CWHSSA-covered site(s) of work.**
- Imposes liquidated damages at the rate of \$25 per day/per violation (effective August 1, 2016)– any instance where employees work in excess of 40 hours per week on a daily basis in addition to full wage compensation.

## General Labor Standards Requirements

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There are **3** main requirements that must be included in a CDBG construction contract:

1. Labor Standards Provisions (**DBRA Packet, form 4-R**)
2. The applicable **Wage Determination**
3. Contract Special Provisions (**form 4-L**)

## Labor Standards Provisions

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Why are the Labor Standards Provisions (**DBRA Packet**, Form 4-R in the GAM) important to include in all bids and contracts?

They establish layers of protection related to:

- Minimum wages
- Withholding of funds
- Access to payroll records
- Subcontractor requirements
- Apprentice requirements
- Overtime requirements



## Wage Determinations (WD)

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A Wage Determination is the listing of wage rates and fringe benefit rates for each classification of laborers and mechanics which the Department of Labor has determined to be prevailing in a given area for a particular type of construction.

- Maintained by DOL research
- Change through updates and modifications
- Lasts the life of the project
- Responsibility of the Community
  - Verified by the CDBG Program Specialist

Failure to include WD does not relieve agency or contractor from liability of restitution or back wages due laborers and mechanics.

Use of incorrect WD; agency shall either terminate and/or re-solicit the contract with the valid wage determination.

# Wage Decision “Construction Category”

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**Wage Decisions** are essentially construction categories that are defined by the character of the work being completed

There are 4 types of Wage Decisions

1. **Residential** – single family homes and apartment buildings, 4 stories or less
2. **Building** – commercial, and residential buildings greater than 4 stories
3. **Highway** – repair of roads, streets, parking areas and most paving not incidental to residential, building or heavy construction
4. **Heavy** – Catch-all which includes projects not classified as the previous 3, i.e., parks, dredging, sanitary and storm sewers, dams

# Construction Category Samples

## SAMPLES OF PROJECTS AND CATEGORIES\*

(\*Excerpts from "Davis Bacon Construction Wage Determinations Manual of Operations")

Building Construction	Heavy
<ul style="list-style-type: none"> <li>• Apartment buildings 5 stories and above</li> <li>• Non-Residential use (offices, etc.)</li> <li>• Nursing Homes</li> <li>• Arenas/Auditoriums/Civic Centers</li> <li>• Automobile parking garages</li> <li>• Hospitals</li> <li>• Industrial/Institutional buildings</li> <li>• Libraries/Schools</li> <li>• Mausoleum</li> <li>• Hotels/motels</li> <li>• Museums</li> <li>• Office Buildings</li> <li>• Police Stations</li> <li>• Post Offices</li> <li>• City Hall/Courthouses</li> <li>• Detention Facilities</li> <li>• Dormitories</li> <li>• Fire Stations</li> <li>• Restaurants</li> <li>• Subway Stations</li> <li>• Shopping centers</li> <li>• Theaters</li> <li>• Water and sewage treatment plant (building only)</li> </ul>	<ul style="list-style-type: none"> <li>• Bridges</li> <li>• Canals</li> <li>• Demolition (not incidental to construction)</li> <li>• Docks</li> <li>• Drainage or dredging projects</li> <li>• Electrification projects</li> <li>• Flood control</li> <li>• Land leveling/reclamation</li> <li>• Locks, waterways/unsheltered piers</li> <li>• Pipelines</li> <li>• Pumping stations</li> <li>• Railroad construction</li> <li>• Reservoirs/viaducts</li> <li>• Sewage, collection, and disposal lines</li> <li>• Water and sewage treatment plants</li> <li>• Shoreline maintenance</li> <li>• Swimming pools</li> <li>• Subways (not the buildings)</li> <li>• Tunnels</li> <li>• Water mains</li> <li>• Wells</li> </ul>
Residential Construction	Highway
<ul style="list-style-type: none"> <li>• Apartment buildings 4 floors or less</li> <li>• Single family homes</li> <li>• Town or row houses</li> <li>• Mobile home developments</li> <li>• Multifamily houses</li> </ul>	<ul style="list-style-type: none"> <li>• Alleys</li> <li>• Bituminous treatments</li> <li>• Concrete pavements</li> <li>• Curbs</li> <li>• Excavation and embankment</li> <li>• Fencing (highway)</li> <li>• Grade crossing elimination (over &amp; under passes)</li> <li>• Parking lots</li> <li>• Resurfacing streets and highways/Paving</li> <li>• Roadways and shoulders</li> <li>• Guardrails</li> <li>• Highway signs</li> <li>• Highway Bridges</li> <li>• Medians</li> <li>• Trails</li> </ul>
<p>1 For Davis Bacon purposes, the exterior height of residential buildings in terms of stories is a primary consideration. The following criteria will apply in order to determine height.</p> <ul style="list-style-type: none"> <li>• Basement- stories below grade used for storage, parking, mechanical system/ equipment, etc. are considered basement stories are not used in determining height.</li> <li>• First story- A lowermost story is considered a story if it contains the main entrance; is used for apartment space in a way substantial similar to upper floors; contains at least 50% living accommodations or related non-residential uses</li> </ul>	

- subject to variations in classification in exceptional instances as deemed by the U.S. DOL (e.g. "character similar," etc.)
- NOTE: There are some instances in which "LANDSCAPING" is a separate, sub-category.

# Where to Find a Davis Bacon Wage Determination

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Wage Determinations can be found at: <https://beta.sam.gov/>

## What Can I Do Here?

### Contracting



#### Contract Data Reports (FPDS Reports)

This website will officially replace FPDS.gov reports.

- Learn About Contract Data Reports
- Run Contract Data Reports

#### Contract Opportunities (FBO)

This website has officially replaced FBO.gov.

- Learn About Contract Opportunities
- Search Contract Opportunities

#### Wage Determinations (WDOL)

This website has officially replaced WDOL.gov.

- Learn About Wage Determinations
- Search Wage Determinations



# Sample Prevailing Wage Determinations

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MI160021 MOD 0 REVISED 07/22/16 MI21  
\*\*\*\*\* THIS WAGE DETERMINATION WAS REPLACED ON 07/22/16\*\*\*\*\*  
General Decision Number: MI160021 01/08/2016

Superseded General Decision Number: MI20150021

State: Michigan

Construction Type: Residential

County: Saginaw County in Michigan.

RESIDENTIAL CONSTRUCTION PROJECTS (consisting of single family homes and apartments up to and including 4 stories).

Note: Under Executive Order (EO) 13658, an hourly minimum wage of \$10.15 for calendar year 2016 applies to all contracts subject to the Davis-Bacon Act for which the solicitation was issued on or after January 1, 2015. If this contract is covered by the EO, the contractor must pay all workers in any classification listed on this wage determination at least \$10.15 (or the applicable wage rate listed on this wage determination, if it is higher) for all hours spent performing on the contract in calendar year 2016. The EO minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at [www.dol.gov/whd/govcontracts](http://www.dol.gov/whd/govcontracts).

Modification Number	Publication Date
0	01/08/2016

## Sample Prevailing Wage Determinations (continued)

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**BRIL0021-012 06/01/2009** Rates Fringes  
 Pointer, cleaner and caulker.\$ 39.20 18.51  
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**CARP0555-001 06/01/2012** Rates Fringes  
 CARPENTER Carpenter, Lather, Millwright, Piledriver,  
 and Soft Floor Layer.....\$ 41.52 25.47  
 -----

**CARP0555-002 10/01/2012** Rates Fringes  
 CARPENTER (Excluding structures with elevators and  
 structures over 3 1/2 stories)\$ 32.12 25.47  
 -----

**ELEC0009-003 06/03/2013** Rates Fringes  
 Line Construction Groundman \$ 34.98 20.80  
 Lineman & Equipment Operator \$ 44.85 26.67  
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**ELEC0134-001 06/04/2012** Rates Fringes  
 ELECTRICIAN.....\$ 42.00 26.75  
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# What do I do if a job classification on my project is missing?

1. Request a letter on letterhead from the contractor that states the classification, job duties, and rate/fringe requested
2. Complete HUD Form 4230A
  - (Form 10-M in the GAM) → → → →
3. Save a copy of the Wage Determination being used for the project
4. Submit an email request to your Program Specialist and **attach the 3 items above**
5. Look for email verification from your Program Specialist that the request was submitted to HUD
6. Wait (DOL has 30 days to respond)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT REPORT OF ADDITIONAL CLASSIFICATION AND RATE		HUD FORM 4230A <small>DH&amp;A Approval Number 2501-0011 (Exp. 01/31/2010)</small>
1. FROM (name and address of requesting agency) <b>MEDC</b>		2. PROJECT NAME AND NUMBER [REDACTED]
4. BRIEF DESCRIPTION OF PROJECT [REDACTED]		3. LOCATION OF PROJECT (City, County and State) [REDACTED]
5. CHARACTER OF CONSTRUCTION <input type="checkbox"/> Building <input type="checkbox"/> Residential <input type="checkbox"/> Heavy <input type="checkbox"/> Other (specify) [REDACTED] <input type="checkbox"/> Highway		7. WAGE DECISION EFFECTIVE DATE [REDACTED]
6. WAGE DECISION NO. (include modification number, if any) [REDACTED] <input type="checkbox"/> COPY ATTACHED		
8. WORK CLASSIFICATION(S) [REDACTED]	HOURLY WAGE RATES	
	BASIC WAGE [REDACTED]	FRINGE BENEFIT(S) (if any) [REDACTED]
9. PRIME CONTRACTOR (name, address) [REDACTED]	10. SUBCONTRACTOR/EMPLOYER IF APPLICABLE (name, address) [REDACTED]	
<b>Check All That Apply:</b> <input type="checkbox"/> The work to be performed by the additional classification(s) is not performed by a classification in the applicable wage decision. <input type="checkbox"/> The proposed classification is utilized in the area by the construction industry. <input type="checkbox"/> The proposed wage rate(s), including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage decision. <input type="checkbox"/> The interested parties, including the employees or their authorized representatives, agree on the classification(s) and wage rate(s). <input type="checkbox"/> Supporting documentation attached, including applicable wage decision.		
<b>Check One:</b> <input type="checkbox"/> Approved, meets all criteria. DOL confirmation requested. <input type="checkbox"/> One or more classifications fail to meet all criteria as explained in agency referral. DOL decision requested.		
_____ Agency Representative (Typed name and signature)		_____ Date
		_____ Phone Number
		FOR HUD USE ONLY LR2000: Log in: _____ Log out: _____

HUD-4230A (8-03) PREVIOUS EDITION IS OBSOLETE

# Wage Determination Lock-in Dates

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## 1. Bid Opening (10 Day Check)

- Labor Compliance Officer must verify any change in the wage decision 10 days prior to bid opening.

## 2. Contract Award (Contract Execution)

- A contract not awarded within **90 days** after bid requires a new wage decision be pulled prior to contract award.
- Projects where there is **no Prime Contractor** must obtain a wage decision within **10 days** prior to executing individual contracts above \$2,000.

## 3. Construction Start

- Where there is NO bid opening or contract award, the very first day of construction locks the wage determination in.
- A payroll must be submitted documenting the work done.
- If construction start does not happen within **90 days** after contract execution contact the Program Specialist to identify if a new wage decision needs to be pulled prior to construction start.



# Required Postings

1. The Wage Determination needs to be posted in plain view of all on-site workers.
2. The DOL WH-1321 Notice to Employee poster must also be posted in plain view of all on-site workers.

<https://www.dol.gov/whd/programs/dbra/wh1321.htm>

## EMPLOYEE RIGHTS UNDER THE DAVIS-BACON ACT

### FOR LABORERS AND MECHANICS EMPLOYED ON FEDERAL OR FEDERALLY ASSISTED CONSTRUCTION PROJECTS

THE UNITED STATES DEPARTMENT OF LABOR WAGE AND HOUR DIVISION

**PREVAILING WAGES** You must be paid not less than the wage rate listed in the Davis-Bacon Wage Decision posted with this Notice for the work you perform.

**OVERTIME** You must be paid not less than one and one-half times your basic rate of pay for all hours worked over 40 in a work week. There are few exceptions.

**ENFORCEMENT** Contract payments can be withheld to ensure workers receive wages and overtime pay due, and liquidated damages may apply if overtime pay requirements are not met. Davis-Bacon contract clauses allow contract termination and debarment of contractors from future federal contracts for up to three years. A contractor who falsifies certified payroll records or induces wage kickbacks may be subject to civil or criminal prosecution, fines and/or imprisonment.

**APPRENTICES** Apprentice rates apply only to apprentices properly registered under approved Federal or State apprenticeship programs.

**PROPER PAY** If you do not receive proper pay, or require further information on the applicable wages, contact the Contracting Officer listed below:

or contact the U.S. Department of Labor's Wage and Hour Division.



For additional information:

**1-866-4-USWAGE**  
(1-866-487-6243) TTY: 1-877-889-5627



**WWW.WAGEHOUR.DOL.GOV**

U.S. Department of Labor | Employment Standards Administration | Wage and Hour Division

WH 1321 (Revised April 2005)

## Contractor Eligibility

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Checking contractor eligible is a regulatory requirement and must be done **PRIOR** to executing any/all Prime or Subcontracts.

The eligibility check is completed by going to the sites listed below and entering the legal business name:

- [www.sam.gov](http://www.sam.gov)
- [https://www5.hud.gov/ecpcis/main/ECPCIS\\_List.jsp](https://www5.hud.gov/ecpcis/main/ECPCIS_List.jsp)

Verification **must** be kept in the file with the contract and submitted to the CDBG Program Specialist

## Common Definitions & Interpretations

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- Site of Work
- Labors and Mechanics
- Working Foreman
- Apprentices and Trainees
- Truck Drivers

## Site of Work

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- The physical place or places where the building or work called for in the contract will remain, and any other site where a significant portion of the building or work is constructed, provided that such site is established specifically for the performance of the contract or project
- DBA applies only to those laborers and mechanics employed by a contractor or subcontractor on the “site of work”
- CWHSSA has no “site of work” limitation. An employee performing part of the contract work under a construction contract at the job site who then continues contract work at a shop or other facility located elsewhere is subject to CWHSSA overtime pay for all the hours worked at both locations and travel time between them. (Different wage rates might be paid, as the Davis-Bacon prevailing wage requirements would apply only to activities performed on “the site of the work”.)

## Laborers, Mechanics, Working Foreman and Apprentices


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- Laborers and mechanics include workers whose duties are manual or physical in nature (including workers who use tools or who are performing the work of a trade), as distinguished from mental or managerial duties.
- Working foremen devote more than 20 percent of their time during a workweek to mechanic or laborer duties (must be paid in classification of work performed)
- Apprentices are paid less than a journeyman, must have a certification, must not work alone and are subject to the ratio of laborers to mechanics.

# Use of Apprentices

- Apprentices will be permitted to work at less than prevailing wage rate when employed and individually registered in a certified apprenticeship program registered with the Department of Labor (DOL)
- The allowable ratio of apprentices to journeymen in any craft classification shall not be greater than the ratio permitted to the contractor as to his/her entire work force under the registered program
- An apprentices pay shall be not less than the specified rate in the registered program for the apprentice's level of progress expressed as a percentage of the journeymen's rate contained in the applicable WD and is determined on a daily, not weekly basis

**SAMPLE COPY**



U. S. DEPARTMENT OF LABOR  
OFFICE OF APPRENTICES  
APPRENTICE CERTIFICATION

TO: MCS Construction  
Attn: Harold Smith  
1234 W. Main Street  
Any Town, YZ 12345-6789

CARPENTER LOCAL UNION 999  
1234 Hands Road Carpenter, Illinois 65412

The following individuals are apprentices registered with the U. S. Department of Labor, Bureau of Apprenticeship and Training under the sponsorship of Program Number IL7845612.

<u>APPRENTICES ID</u>	<u>APPRENTICES NAME</u>	<u>TRADE</u>	<u>DATE REGISTERED</u>
97869855	John A. Hall	Painter	01/10/2000

Certified By:  
*David J. Mays*

BAT REPRESENTATIVE

Date Issued  
March 4, 2004

VOID 90 DAYS FROM ISSUE DATE

# Sample Journeyman to Apprentice Ratios

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## Apprentice Wage Progression/Schedule:

50%- 1<sup>st</sup> year (full benefits)

75%- 2<sup>nd</sup> year (full benefits)

90%- 3<sup>rd</sup> year (full benefits)

## Journeymen to Apprentice Ratios:

One (1) journey worker to one (1) apprentice on a two (2) worker job.

One (1) apprentice to two (2) journey workers on a three (3) worker job\*.

Two (2) apprentices to four (4) journey workers on a six (6) worker job.

Three (3) apprentices to nine (9) journey workers on a twelve (12) worker job.

Four (4) apprentices to twenty-five (25) journey workers.

Five (5) apprentices to thirty-five (35) journey workers.

Six (6) apprentices to fifty-five (55) journey workers

One (1) apprentice to every twenty (20) workers thereafter

# Truck Drivers

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Truck Drivers **are covered** by the DBA in the following circumstances:

- Drivers of a contractor/subcontractor for time spent working on the site of work.
- Drivers of a contractor/subcontractor for time spent loading and/or unloading materials and supplies on the site of the work, if such time is not de minimis (see FOHe22(b)(3))
- Truck Drivers transporting materials or supplies between a facility that is deemed part of the site of work and the actual construction site.
- Truck Drivers transporting portions of the building or work between a site established specifically for the performance of the contract or project where a significant portion of such building or work is constructed and the physical places(s) where the building or work called for in the contract will remain.



## Truck Drivers (Continued)

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Truck drivers **are not covered** in the following instances:

- Material delivery truck drivers while off the site of work.
- Drivers of a contractor/subcontractor traveling between a DBA job and a commercial supply facility while they are off the site of work.
- Truck drivers whose time spent on the site of work is de minimis, such as only a few minutes at a time to pick up or drop off materials or supplies

# Payroll Administration and Necessary Forms

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## Employee Interviews

- Form 10-O GAM

## Contractor Certified Payroll

- Form 10-L GAM

## CGA/Grantee Payroll Review Worksheet

- Form 10-M GAM

## Deduction Authorization

- Form 10-N GAM

## Complaint Intake and Processing

- Form 10-P GAM

## Roles & Responsibilities

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### Prime & Subcontractors

- Must pay all laborers and mechanics weekly
- Must pay no less than prevailing wage rate (cash+fringe)
- Must submit weekly certified payrolls

### Prime Contractor

- Complete responsibility for self, sub-contractors and any lower-tiered contractors
  - Sole Proprietors must complete a Certified Payroll Reports (CPR) and have it signed by the Prime Contractor
- Labor standards must be included in all contracts subject to Davis Bacon regulations

### Certified Grant Administrator

- Point of contact for Program Specialist and Grantee
- Review all Certified Payroll Reports, contracts and related project documents
- Ensure that the Grantee maintains a complete project folder at its office

# Employee Interview Form

- Employers must ensure Contractors allow all laborers and mechanics to be interviewed
- HUD 11 is the Employee Interview Form. 10-O in the GAM
- CGA/Grantee **must** take necessary precautions to safeguard sensitive information that may be collected or generated for labor standards purposes
- Must be conducted in person

**7-15**  
OMB Approval No. 2501-0009  
(exp. 12/31/2013)

**RECORD OF EMPLOYEE INTERVIEW FORM**

**Record of Employee Interview** U.S. Department of Housing and Urban Development Office of Labor Relations

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. The information is collected to ensure compliance with the Federal labor standards by recording interviews with construction workers. The information collected will assist HUD in the conduct of compliance monitoring; the information will be used to test the veracity of certified payroll reports submitted by the employer. **Sensitive Information:** The information collected on this form is considered sensitive and is protected by the Privacy Act. The Privacy Act requires that these records be maintained with appropriate administrative, technical, and physical safeguards to ensure their security and confidentiality. In addition, these records should be protected against any anticipated threats or hazards to their security or integrity that could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom the information is maintained. The information collected herein is voluntary, and any information provided shall be kept confidential.

1a. Project Name			2a. Employee Name		
1b. Project Number			2b. Employee Phone Number (including area code)		
1c. Contractor or Subcontractor (Employer)			2c. Employee Home Address & Zip Code		
			2d. Verification of identification? Yes <input type="checkbox"/> No <input type="checkbox"/>		
3a. How long on this job?	3b. Last date on this job before today?	3c. No. of hours last day on this job?	4a. Hourly rate of pay?	4b. Fringe Benefits?	
				Vacation Yes <input type="checkbox"/> No <input type="checkbox"/>	Medical Yes <input type="checkbox"/> No <input type="checkbox"/>
				Pension Yes <input type="checkbox"/> No <input type="checkbox"/>	4c. Pay stub? Yes <input type="checkbox"/> No <input type="checkbox"/>
5. Your job classification(s) (list all) --- continue on a separate sheet if necessary					
6. Your duties					
7. Tools or equipment used					
<b>CONFIDENTIAL</b>					
8. Are you an apprentice or trainee?			10. Are you paid at least time and 1/4 for all hours worked in excess of 40 in a week?		
9. Are you paid for all hours worked?			11. Have you ever been threatened or coerced into giving up any part of your pay?		
12a. Employee Signature			12b. Date		
13. Duties observed by the interviewer (Please be specific.)					
14. Remarks					
15a. Interviewer name (please print)		15b. Signature of Interviewer		15c. Date of interview	
<b>Payroll Examination</b>					
16. Remarks					
17a. Signature of Payroll Examiner			17b. Date		
<small>Previous editions are obsolete Form HUD-11 (04/2004)</small>					

4/16/2012 Version 3.2

## Certified Payroll Reports

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- Payroll Form (WH-347) – Required
- Statement of Compliance (signature page) – signer must be the owner or have written authorization from the owner
- “Initial” and “Final” CPR must be marked as such
- Include “No Work” Payrolls (non-performance)
- Include Fringe Benefit Statement (if paying into a plan)
- Indicate Classification and Wage Rate
- Deductions – all “other” deductions must be authorized by the worker

# Certified Payroll – Page 1

Look for...

- Dates
- Payroll #
- Wage Rate
- Hours Worked
- Overtime
- Deductions
- Wages Paid

U.S. Department of Labor  
Wage and Hour Division

## PAYROLL

(For Contractor's Optional Use; See Instructions at [www.dol.gov/whd/forms/wh347instr.htm](http://www.dol.gov/whd/forms/wh347instr.htm))



Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number.

NAME OF CONTRACTOR  OR SUBCONTRACTOR  ADDRESS  OMB No.: 1235-0008 Expires: 01/31/2015

PAYROLL NO.  FOR WEEK ENDING  PROJECT AND LOCATION  PROJECT OR CONTRACT NO.

(1) NAME AND INDIVIDUAL IDENTIFYING NUMBER (e.g., LAST FOUR DIGITS OF SOCIAL SECURITY NUMBER) OF WORKER	(2) NO. OF WEEKS EMPLOYED	(3) WORK CLASSIFICATION	(4) DAY AND DATE							(5) TOTAL HOURS	(6) RATE OF PAY	(7) GROSS AMOUNT EARNED	(8) DEDUCTIONS				(9) NET WAGES PAID FOR WEEK
			MON	TUE	WED	THUR	FRI	SAT	SUN				FICA	WITH- HOLDING TAX	OTHER	TOTAL DEDUCTIONS	
<input type="text"/>																	
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While completion of Form WH-347 is optional, it is mandatory for covered contractors and subcontractors performing work on Federally financed or assisted construction contracts to respond to the information collection contained in 29 C.F.R. §§ 3.3, 5.5(a). The Copeland Act (40 U.S.C. § 3145) contractors and subcontractors performing work on Federally financed or assisted construction contracts to "furnish weekly a statement with respect to the wages paid each employee during the preceding week." U.S. Department of Labor (DOL) regulations at 29 C.F.R. § 5.5(a)(3)(ii) require contractors to submit weekly a copy of all payrolls to the Federal agency contracting for or financing the construction project, accompanied by a signed "Statement of Compliance" indicating that the payrolls are correct and complete and that each laborer or mechanic has been paid not less than the proper Davis-Bacon prevailing wage rate for the work performed. DOL and federal contracting agencies receiving this information review the information to determine that employees have received legally required wages and fringe benefits.

**Public Burden Statement**

We estimate that it will take an average of 55 minutes to complete this collection, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have any comments regarding these estimates or any other aspect of this collection, including suggestions for reducing this burden, send them to the Administrator, Wage and Hour Division, U.S. Department of Labor, Room S3502, 200 Constitution Avenue, N.W. Washington, D.C. 20210

(over)

# Certified Payroll – Page 2

Look for...

- Signer/Title
- Time Period
- Benefits
- How Fringe is Paid
- Exceptions
- Remarks
- Signer

Date

I,    
 (Name of Signatory Party) (Title)

do hereby state:

(1) That I pay or supervise the payment of the persons employed by \_\_\_\_\_ on the \_\_\_\_\_ (Contractor or Subcontractor); that during the payroll period commencing on the \_\_\_\_\_ (Building or Work) day of \_\_\_\_\_, \_\_\_\_\_, and ending the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said \_\_\_\_\_ (Contractor or Subcontractor) from the full weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (29 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 948, 63 Stat. 108, 72 Stat. 967; 76 Stat. 357; 40 U.S.C. § 3145), and described below:

(2) That any payrolls otherwise under this contract required to be submitted for the above period are correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into the contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

(3) That any apprentices employed in the above period are duly registered in a bona fide apprenticeship program registered with a State apprenticeship agency recognized by the Bureau of Apprenticeship and Training, United States Department of Labor, or if no such recognized agency exists in a State, are registered with the Bureau of Apprenticeship and Training, United States Department of Labor.

(4) That:

(a) WHERE FRINGE BENEFITS ARE PAID TO APPROVED PLANS, FUNDS, OR PROGRAMS

– in addition to the basic hourly wage rates paid to each laborer or mechanic listed in the above referenced payroll, payments of fringe benefits as listed in the contract have been or will be made to appropriate programs for the benefit of such employees, except as noted in section 4(c) below.

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

- Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable basic hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

EXCEPTION (CRAFT)	EXPLANATION

REMARKS:

NAME AND TITLE	SIGNATURE
<input type="text"/>	<input type="text"/>

THE WILLFUL FALSIFICATION OF ANY OF THE ABOVE STATEMENTS MAY SUBJECT THE CONTRACTOR OR SUBCONTRACTOR TO CIVIL OR CRIMINAL PROSECUTION. SEE SECTION 1001 OF TITLE 18 AND SECTION 231 OF TITLE 31 OF THE UNITED STATES CODE.





## Fringe Benefits (FB)

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- Under DBA, FB's are a component of the "prevailing wage"
- The WD obligation may be satisfied by:
  - Paying the Basic Hourly Rate (BHR) and FB in cash
  - Contributing payments to a defined plan
  - Any combination of the two
- Every employee must be paid for all hours worked, including overtime
- FB do not include employer payments or contributions required by Federal, State or local laws, such as the employer's contribution to Social Security or some disability insurance payments
- Examples of Fringe Benefits: Life Insurance, Health Insurance, Pension, Vacation, Holiday, Sick Leave, Training Fund contributions

# Fringe Benefit Sample

**PLUMBERS UNION LOCAL 690  
WAGE AND FRINGE BENEFIT RATES  
EFFECTIVE MAY 1, 2007 THROUGH APRIL 30, 2008  
READING and LEHIGH VALLEY  
BUILDING TRADES**

**MAY 1, 2007 contract increase of \$2.55**

	04/30/2007	05/01/2007	INCREASE
<b>WAGES</b>	\$32.10	\$32.85	\$0.75
<b>PENSION PLAN</b>	\$ 5.87	\$ 6.62	\$0.75
<b>S.R.P.</b>	\$ 2.04	\$ 2.34	\$0.30
<b>HEALTH PLAN</b>	\$ 9.91	\$10.66	\$0.75
<b>APPRENTICE PLAN</b>	\$ 0.37	\$ 0.37	\$0.00
<b>INDUSTRY FUND</b>	\$ 0.24	\$ 0.24	\$0.00
<b>SCHOLARSHIP FUND</b>	\$ 0.05	\$ 0.05	\$0.00
<b>TOTAL PACKAGE</b>	\$50.58	\$53.13	\$2.55

**SUMMARY OF INCREASE:**

	INCREASE
<b>WAGE</b>	\$0.75
<b>PENSION PLAN</b>	\$0.75
<b>S.R.P.</b>	\$0.30
<b>HEALTH PLAN</b>	\$0.75
<b>APPRENTICE PLAN</b>	NO CHANGE
<b>INDUSTRY FUND</b>	NO CHANGE
<b>SCHOLARSHIP FUND</b>	NO CHANGE

**Deduction from Hourly wages:**

Deduct \$1.75 for Vacation Fund per hour paid from Net Wages  
 Deduct \$.10 cents Political Action and \$.07 cents Social Fund per hour from Net Wages  
 Deduct 2.52% of the Total Package (gross wages (\$32.85) Fringe Benefits (\$20.28) = Total Package \$53.13  
 Deduct \$.30 for Organizational Fund per hour paid from Net Wages for Journeymen  
 Deduct \$.15 for Organizational Fund per hour paid from Net Wages for Apprentices

**Foreman Hourly Wage Rates:**

Foreman (2-5 Journeymen) 107% of Journeymen Rate  
 Foreman (2-10 Journeymen) 110% of Journeymen Rate  
 Area Foreman 112% of Journeymen Rate  
 General Foreman 115% of Journeymen Rate (supervising 2 or more Foremen & 100 Journeymen or less)  
 General Foreman 120% of Journeymen Rate (supervising 2 or more Foremen & 101 Journeymen or more)

## Fringe Benefit Example

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Davis-Bacon wage determination requires:

- Basic hourly rate \$10.00
- Fringe benefit 2.00

Total prevailing rate \$12.00

1. \$12.00 in cash wages or,
2. \$10.00 plus \$2.00 in pension contributions or other FB, or
3. \$9.00 plus \$3.00 in pension contributions or any combination of FB

Wages paid in excess BHR may be used as an offset or credit to satisfy FB

## Overtime Example

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Basic Wage = \$10.00

Fringe Benefit = \$2.00

Hours worked = 42

- Overtime is  $1.5 \times \$10 \times 2 \text{ hours} = \$30$
- You would not pay 1.5 of the \$2 for fringe benefits

## Defined Fringe Benefit Plans

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Contractors may take credit for defined FB fund contributions made to third-party trustees or insurers that:

- Are irrevocably paid; and,
- Are made regularly, not less often than quarterly

Credit is for payments made for individual workers eligible to participate in the plan, program, or fund

A description of the approved plan must be submitted to the Program Specialist.

The Program Specialist may also request written approval from the employee to have the funds deducted.

# Deductions

- Deductions are permissible for the following:
  - Loans
  - Garnishment
  - 401K, etc.
  
- Deductions are permissible only if there is signed authorization by the employee that includes the specific dollar amount, and it is received prior to the deduction from the employee's pay check
  - Use Form 10-N in the GAM "Payroll Deduction Authorization Form"

**PAYROLL DEDUCTION AUTHORIZATION FORM  
AUTHORIZATION TO MAKE OTHER DEDUCTIONS**

I \_\_\_\_\_, hereby authorize my employer,  
\_\_\_\_\_, to make deductions not otherwise listed as permissible deductions on wages earned while employed on the following project.

PROJECT NUMBER: \_\_\_\_\_

PROJECT NAME: \_\_\_\_\_

PROJECT LOCATION: \_\_\_\_\_

These deductions are voluntary and are authorized for the purpose of:

<u>Purpose</u>	<u>Amount Per Week</u>	<u>PPE Deduction Period</u>	<u>Comments</u>

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

## Red Flags

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- Discrepancies in wage computations
- Wages stated in the Employee Interview don't match the certified payroll
- Extraordinary deductions

### Steps to take:

- Request a list of employees working on a site from contractor that includes address and phone number when contract is signed
- Targeted on-site interviews
- Send questionnaires to affected workers (HUD-4730)
- Request additional documentation from contractor (e.g. cancelled checks)

## Restitution of Wages

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- CGA/Grantee must notify the Prime Contractor in writing of any underpayments
- Allow 30 days to correct underpayments
- Wage restitution is the difference between the wage rate paid and the wage rate required for all hours worked
- Employers must submit a corrected restitution payroll



## Restitution Payroll Requirements

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- Reflect the period of time for which restitution is due
- Lists employees to whom restitution is paid
- Lists the work classification(s)
- Lists total number of work hours involved
- Lists the adjusted wage rate
- Lists the gross amount of restitution due
- Lists deductions and the net amount paid
- Includes the signed Statement of Compliance by owner or designee

# Reports

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Required by the Statute 29CFR 5.7 “Reports to the Secretary”

Types of reports:

- 5.7 enforcement report
- Semi-annual Labor Enforcement Reports

## 5.7 Enforcement Report

- Required if restitution collected is over \$1000 per subcontractor
- Required on all willful violations
- Can be used as a tool

### INSERT AGENCY LETTERHEAD

MEMORANDUM FOR: \_\_\_\_\_, Regional Labor Relations Officer

FROM:

SUBJECT: Section 5.7 Enforcement Report

#### I Coverage

Project Name:  
Project Number:  
Location: (City, County, State)

Wage Decision:  
Program Area/Statute:

Prime Contractor:  
City, State:

Subcontractor:  
City, State:

#### II Violations

Wage restitution in the total amount of \$\_\_\_\_\_ has been paid to \_\_\_\_\_ employees by the contractor(s) named above. (See attached Schedules of Wages Found Due.)

Were any of the violations willful?  
(If yes, see attached detailed report.)

Were CWHSSA liquidated damages computed?  
(If yes, see attached detailed report.)

Are administrative sanctions recommended?  
(If yes, see attached detailed report.)

The wage underpayments were discovered through:

The types of violations were:

III Disposition  
(Narrative)

CC:

# Semi-Annual Enforcement Report

- Collected twice a year from each Grantee subject to DBRA in March and September
- This report is a Congressional report
- Information is collected continuously
- Looks at new Prime contracts entered into and restitution paid within the 6 month period

Semi-Annual Labor Standards Enforcement Report - Local Contracting Agencies (HUD Programs)		U.S. Department of Housing and Urban Development Office of Labor Relations		HUD FORM 4710 OMB Approval Number 2501-0019 (Exp. 06/30/2015)	
Agency Name:		Agency Type: (i.e., CD05, TWA, THERIA)		State:	
				LR2000 Agency ID #: (HUD Use Only)	
Period Covered: Check One and Enter Year(s)					
<input type="checkbox"/> Period 1: October 1, ____ to March 31, ____		<input checked="" type="checkbox"/> Period 2: April 1, ____ to September 30, ____			
Agency Contact Person:		Agency Contact Phone/E-mail:			
<b>PART I - CONTRACTING ACTIVITY*</b> <i>Pertains ONLY to projects awarded during the reporting period.</i>					
1. Number of prime contracts subject to the Davis-Bacon and Related Acts (DBRA) and/or the Contract Work Hours and Safety Standards Act (CWHSSA) awarded this period <span style="float: right;">[ ]</span>					
Note: Do not include contracts included in previous semi-annual reports					
2. Total dollar amount of prime contracts reported in item 1 above					\$ [ ]
3. List for each contract awarded this period:					
Project Name/Number		Contract Amount		Wage Decision Number	
Wage Decision Lock-In Date					
EXAMPLE: "Boy's Club Renovation # CD5405-45"		"\$0,000,000.00"		"FL040001/Mod 3, 8/26/04, Building"	
				"07/02/04 bid open date" ← Lock ?	
<small>*Use additional pages if necessary.</small>					
<p><b>WHAT IS THE LOCK-IN DATE?</b> For contracts entered into pursuant to competitive bidding procedures, the bid opening date "locks-in" the wage decision provided that the contract is awarded within 90 days. If the contract is awarded more than 90 days after bid opening, the contract award date "locks-in" the wage decision. For contracts, purchase orders or other agreements for which there is no bid opening or award date, use the construction start date as the lock-in date. However, for projects receiving assistance under Section 8 of the U.S. Housing Act of 1937 or contracts involving a project wage determination, the lock-in rules may vary from above. See Department of Labor Regulations, 29 CFR, Part 1, Section 1.6 and/or HUD Handbook 1344.1, or consult the HUD Labor Relations staff.</p> <p><b>WHAT IT ISN'T:</b> Do not use the wage decision publication date, unless that happens to correspond to one of the trigger events described above. If you are not sure about any of this, please feel free to contact the Labor Relations staff in your state or region.</p>					
Previous versions obsolete		Page 1 of 2		form HUD-4710 (11/2004)	

## Recommended Resources for CGAs

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- GAM Chapter 10, Construction Management and Labor Standards
- DBRA Packet, Form 4-R in GAM
- Contractor's Guide to Davis Bacon Requirements
- HUD Handbook 1344.1 REV 2
- 29 Code of Federal Regulation Part 5
- DOL Field Operations Handbook
- Practical Guide for States, Tribes, Local Agencies

## Contact Information

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Gregory C. West, EDFP  
CDBG Program Manager  
Michigan Economic Development Corporation  
300 N. Washington Square, Lansing, MI 48913  
Email: [westg2@michigan.org](mailto:westg2@michigan.org)