

CONTRACT & LAND MANAGEMENT

CITY OF AUSTIN

Wage Rate and Payroll Reporting

Section 00830



Purpose

- To provide an overview of our prevailing wage requirements and compliance processes.
- To identify key areas that affect the contractors success of compliance with the City of Austin.



The Davis-Bacon Act

I. History And Purpose Of The Act

A. Background

The Davis-Bacon Act (the "Act"), 40 U.S.C. 276a, was enacted on March 3, 1931, to require the inclusion of minimum wage rates for laborers and mechanics employed on the site of Federal government contracts for construction, alteration or repair, painting and decorating of public buildings or public works. The Act is named after its chief sponsors, Representative Bacon of New York and Senator Davis of Pennsylvania.



The Davis-Bacon Act

II. Requirements Of The Act

A. Prevailing Wages - General Rule

The Act requires that contractors pay their laborers and mechanics minimum wages that are “based upon the wages that will be determined by the Secretary of Labor to be prevailing for the corresponding classes of laborers and mechanics”.



COA REQUIREMENTS

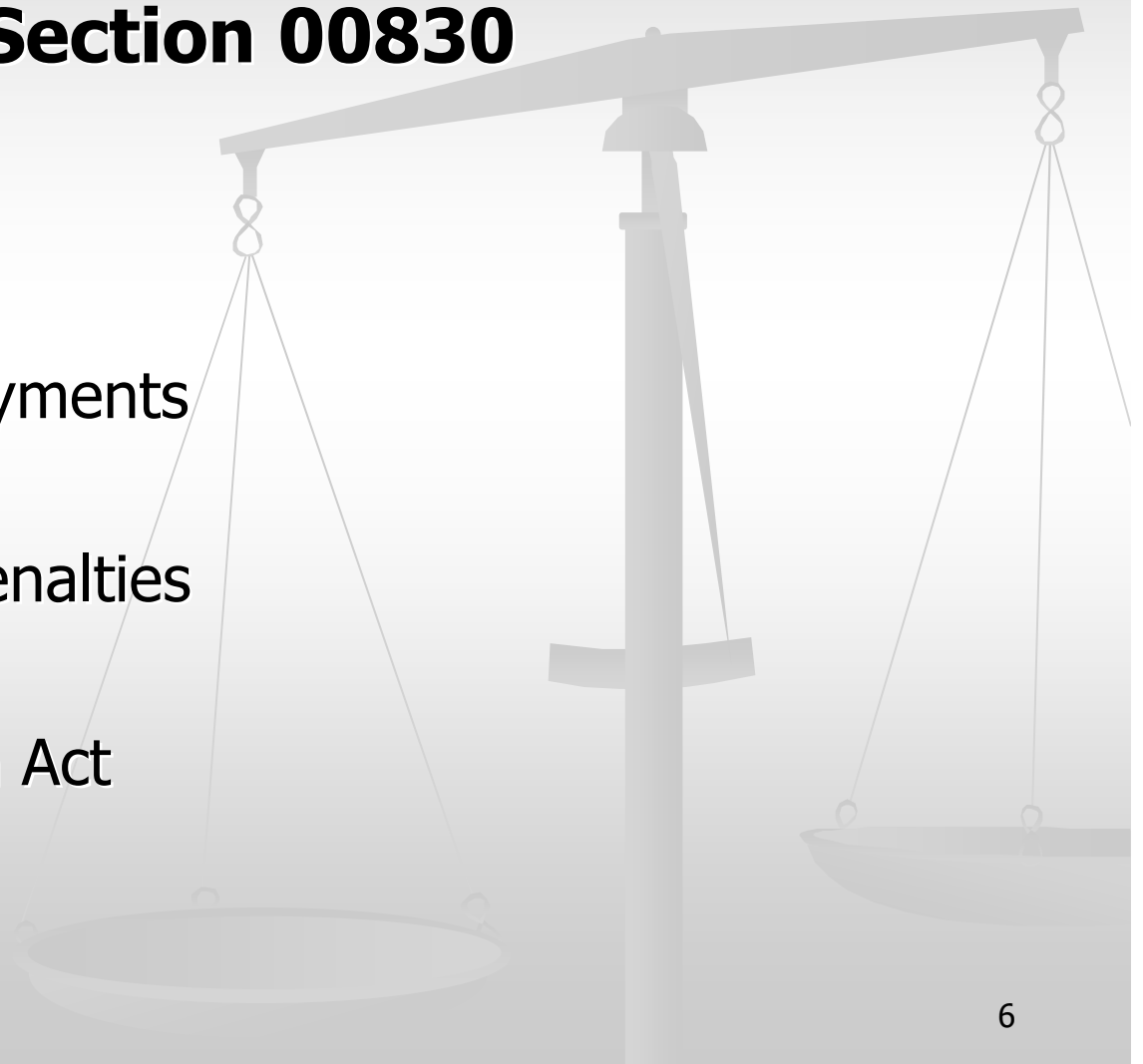
What is our program? Modeled after Davis-Bacon Act, Copeland Anti-Kickback Act, and the Texas Government Code.

- The City of Austin, Contract & Land Management department is required by State law to monitor the enforcement of prevailing wages, job classifications, and retention of required documents on municipal construction contracts for **all publicly funded construction projects as per section 00830 of the contract documents.**
- The City of Austin program will administer the Acts listed above and adopt rules as necessary to implement these Acts.

Wage Rates And Reporting

- Requirements Of **Section 00830**

- Payment
- Apprentices
- Withholding of Payments
- Payrolls
- Complaints and Penalties
- Area Practice
- Public Information Act





Preconstruction Packet

■ **Required Forms**

- Statement and Acknowledgement (SF 1413) – for federal projects
- Copy of Approved Expenditure Report (Sub-K)
- Prompt Payment Schedule
- Certificate of Insurance (For renewals & Updates)
- Payroll Deduction Authorization Form
- Employee Certification
- Certified Payroll Report
- Statement of Compliance

■ **Required Posters**

- Copy of wage scale from Project Manual section 00830 - HH and/or Building
- Workers Compensation – English & Spanish
- Contact and Wage Dispute Notice – English & Spanish
- Equal Opportunity Notice – English & Spanish



Prevailing Wage Rate Determination

The Prevailing Wage Rate Determination Scales are updated weekly, by using the **Wage Determinations OnLine.gov** as a resource. The website is part of the Integrated Acquisition Environment, one of the E-Government initiatives in the President's Management Agenda.

It is a collaborative effort of the Office of Management and Budget, Department of Labor, Department of Defense, General Services Administration, Department of Energy, and Department of Commerce.

The Wage Rates can be located in Section 00830 of every City of Austin contract.

- **Heavy And Highway Construction**
- **Building Construction Type**

Site Observations



Site observation generally take place four to six (4-6) weeks after receiving Notice to Proceed.

- ❖ Workers on the site are closely observed.
- ❖ Check for vendors that are not on the compliance plan.
- ❖ Required Postings are verified.
- ❖ “On-the-spot” interviews are determined during initial site visit.
- ❖ Multiple Interviews with workers are acceptable and may be necessary (Accompanied by translator as needed/available)
- ❖ Once interview(s) have been completed, documentation is reviewed to identify any violations or compliance issues

Wage Audits

Federal & Non-Federal

- The following documentation will be reviewed to determine if contractor and all sub-contractors are in compliance with section 00830 (wage determination requirements) of contract:

- **Weekly certified payroll**
- **Proof of Fringe Benefits** (if applicable)
- **Statement of Compliance**
- **Employee certifications**
- **Payroll deduction forms**

NOTE: Wage determination requirements are imposed by city, state and federal regulations in accordance to the Davis-Bacon Act (1931). A 1964 amendment to the act added a requirement to pay fringe benefits.

Wage Audits (continued)

➤ **Federal:**

Contractor is informed at preconstruction meeting that all payroll information is needed at the beginning of project and must be provided weekly. Federal audits are completed on a quarterly basis.

➤ **Non-Federal:**

Projects are subject to audit pending the outcome of initial site visit.

Wage Audits (continued)

COMPLAINT-DRIVEN or RANDOM AUDIT

(Federal or Non-Federal)

- **Complaint-driven** – Complaint is received (typically by telephone call) from worker alleging non-compliance of wage payment requirements OR audit is deemed necessary after review of information gathered from employees during site interview
- **Random** – Project is pre-selected for random audit based on risk assessment for determination of random audit (Risk Assessment Matrix) and Guidelines for Random Selection of Wage Audits

City Of Austin Expectations

- Comply with the “Conditions of the Contract”
 1. Ensure workers are paid proper prevailing wages.
 2. Ensure workers are paid on time.
 3. Ensure workers are classified correctly.
 4. Ensure required posters are hung.
 5. Ensure required forms are filled out and retained for three years after completion of contract.

Most Common issues that cause Contractor to be Non-Compliant

- Contractor failed to properly fill out required documents **PRIOR** to employees entering Job Site. (Employee Certification & Payroll Deduction form)
- Contractor failed to hang Posters as required. (EEO, Workers Compensation, COA Contacts, Prevailing Wage Scale)
- Contractor allowed employees to work more than one classification without recording time on each classification and/or without paying the higher wage rate of the two classifications.
- Contractor failed to maintain weekly payroll reports or failed to provide copies in a timely manner upon request by owner of contract.
- Contractor failed to pay employee proper wages due to misclassification of duties.

Sanctions And Penalties

What happens if a Contractor violates the conditions of the contract?

- Funds may be withheld from contractor under which the suspected violations occurred or under any other federal contract with same prime contractor.
- A Contractor or Subcontractor who violates their contract may pay to the political subdivision on whose behalf the contract is made, \$60 per worker for each calendar day that a worker is paid less than the wage rates stipulated in the contract.
- Confirmed Disciplinary action taken by Contractor against employees who provide information during an interview or investigation on wages received, may result in suspension or debarment from consideration of award of City projects.



Frequently Asked Questions

1. **Q. Will an audit cause work to stop?**

A. No. Employees will not be interviewed at the same time, others will continue to work while audit is being performed

2. **Q. What if workers are performing the duties of two classifications?**

A. Contractor may choose to keep records of the time employee worked on each classification and pay worker accordingly, if not, the employee will be paid the higher wage of the two classifications.

3. **Q. Where should records be retained for three years?**

A. The contractor must decide where to store and retain payroll records. The contractor is required to retain payroll records for three years after completion of the contract, and responsible for providing copies of records to Owner within two (2) working days if requested.



Frequently Asked Questions

5. **Q. Are my subcontractors required to fill out the required documents?**

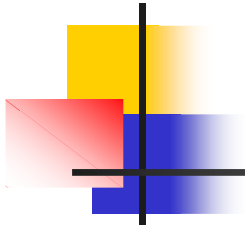
A. Yes. The contract require that the Employee Certification and Payroll Deduction form be filled out and signed by each of the contractor AND subcontractor's employees prior to beginning work on the site.

6. **Q. Is the contractor allowed to choose which workers will be interviewed?**

A. No. It is at the discretion and authority of the contract owner/auditor to decide which employees will be interviewed.

7. **Q. Are workers allowed to decline interviews?**

A. No. Employees must participate when asked to interview by the COA auditor. At this point the contractor has notified the employees of periodic audits, and has encouraged them to participate.



Q & A



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