**CITY OF AUSTIN** PRESENTS

Contract Management Department

Your **partner** in capital project delivery!

# Wage Rates and Payroll Reporting

## Section 00830 for Construction Projects

# COA REQUIREMENTS

Davis Bacon and Texas Statute 2258 mandate prevailing wages be paid for all public construction projects.

# PREVAILING WAGE RATE DETERMINATION

- Wage Rate Determination Scales are checked and updated weekly.
- The version included in the contract applies to that contract through its completion.
- The Wage Rates required are located in Section 00830 of every City of Austin Construction contract.

# SITE OBSERVATIONS

- The initial visit takes place within 3 weeks of the Notice to Proceed. Additional visits can occur at any time. We will:
  - Closely observe workers on site
  - Check for vendors not on the compliance plan
  - Verify required Postings
  - Conduct employee interviews

# WAGE AUDITS

- Federally-funded projects
  - Federally-funded projects are monitored throughout their duration.
  - All employees must be paid not less than once weekly for the work performed the previous week.
  - All payrolls must be provided to the City weekly.
  - All payroll information must be provided at the beginning of the project.

# COA EXPECTATIONS

- Comply with the "Conditions of the Contract"
  - Ensure workers are classified and paid proper prevailing wages
  - Ensure workers are paid on time
  - Ensure workers are paid time-and-a-half for overtime hours worked
  - Ensure required posters are displayed at work site
  - Ensure that payroll records and required forms are filled out and retained for three years after completion of the contract

# MOST COMMON ISSUES OF NON-COMPLIANCE

- Contractor failed to maintain weekly payroll reports, compliance statements, and other documentation, including documentation from subcontractors.
- Contractor failed to pay employee proper wages due to misclassification of duties.
- Contractor paid straight time for overtime hours worked.
- Apprentices were not enrolled in a DOL-approved apprenticeship program.

# WHOM TO CONTACT

- Contract Management Department
  - **Contract Administration Division**
    City of Austin
    505 Barton Springs Rd, Suite 1045
    Austin, TX 78704
  - **Russell Kyle**
    - Contract Compliance Specialist, Sr.
    - (512) 974-1404
  - **Andrea Pimentel**
    - Contract Compliance Specialist
    - (512) 974-9377
  - **Frank H. Mays**
    - Division Manager
    - (512) 974-7051

# Frequently Encountered Wage Issues

**Record Keeping**
Contractor must be able to provide weekly certified payroll reports, employee certifications, and payroll deduction authorization forms for prime contractor *and all levels of subcontractors* within 2 working days of request. It is strongly recommended that the prime contractor obtain these *before* the City asks for them to ensure compliance.

**The Nature of the Work (wage classifications)**
An employee's correct wage classification reflects that employee's actual work. An employee who is measuring, marking, trimming, or joining pipes is expected to be paid at the prevailing wage of a plumber or pipefitter, for example. Employer is liable for back wages due to any worker found to have been underpaid.

**Split Classifications**
If an employee performs work under multiple wage classifications or determinations, *that employee must be paid at the highest applicable rate, unless that employee has been certified at multiple classifications or determinations, and daily timekeeping records are recorded on certified payroll reports, indicating the hours spent at each classification or under each determination.*

**Apprentices**
*Only* those apprenticeship programs recognized by the U.S. Department of Labor satisfy the City's contract requirements. **In-house apprenticeship programs do not meet this requirement unless they are recognized by the U.S. Department of Labor.** *Only* those employees *currently enrolled* in a program may be classified and paid as apprentices (*Note for Plumbers:* A Texas Plumber's Apprentice license does not fulfill this requirement.) If an employer is paying apprentice wages, they must be able to provide proof of individual enrollment, including date of enrollment, current period/year, and the program's terms of apprenticeship.

**"Helper" Wage Classifications**
*Only* those classifications listed in the contract will be recognized by the City. "Helper" is not a recognized classification. An employee designated as an electrician's helper who is observed running wires of any type or making connections must be paid as a journeyman electrician, for example.

**HVAC Ductwork**
Measuring, marking, trimming, forming, and installing ductwork is the work of a sheet metal mechanic. Any employee performing this type of work is to be paid as a sheet metal worker.

**Multiple Wage Determinations on a Project**
If both BC and HH wage rates are in a contract, BC rates must be used for any work performed within 5 feet of the perimeter of the structure. HH rates apply only to work outside this area.

**Common Laborer (HH) or Laborer (BC)**
Employees under these classifications are permitted to use power tools only in demolition work.

**Trainees or Underskilled Workers**
Employees are to be paid prevailing wage for the work performed, *regardless of skill level, licensure, title, or experience.*

# Truckers:
## Wage Compliance and SMBR

Truck drivers can be utilized on construction projects for the City of Austin in a few different ways. The City has certain expectations of each. With the exception of delivery truck drivers who deliver products to the job site, unload, and immediately leave, all truck drivers on construction projects are subject to prevailing wage requirements outlined in the City contract. Below are some of the ways truck drivers can be classified, and what the City expects:

- A truck driver can be an employee, working directly for the prime contractor or one of the subcontractors. Employees must be reported on weekly certified payroll reports, prepared by their employers. Hours worked and rates of pay must be reported for employees, along with their names and the last 4 digits of their social security numbers.

- A truck driver can be a truck owner/operator, working directly for the prime contractor or one of the subcontractors. Truck owner/operators must be reported on weekly certified payroll reports, prepared by their employers. Under work classification, enter "truck owner/operator." Truck owner/operators' hours or wages need not be reported, but the names and last 4 digits of their social security numbers must be.

- A truck driver can be a truck owner/operator, working as a subcontractor on a project. A truck owner/operator working as a subcontractor must prepare weekly certified payroll reports, reporting himself or herself, indicating the wage classification is "truck owner/operator." Hours or wages need not be reported, but the name and last 4 digits of the social security number must be.

**NOTE: Subcontractors must be approved on a project's Compliance Plan before working on that project. If an unapproved sub works on a project, the prime contractor has violated the City's SMBR ordinance, and can be suspended or debarred.**

# EMPLOYEE CERTIFICATION

CONTRACTOR: _____

SUBCONTRACTOR: _____

PROJECT NAME: _____

CONTRACT NUMBER: _____ SOLICITATION # _____

**I, _____, was hired for this project on _____ as a/an _____ and will be compensated as required by the prevailing wage scale for this project as noted below. I will also be compensated for any and all work performed in addition to this classification.**

*Check the applicable prevailing wage scale:* ☐ **Building Construction (BC)** *or* ☐ **Heavy & Highway (HH)**

**Base Hourly Wage** **$**_____

**Total Hourly Fringe Benefits Rate <u>Paid by Employer</u>** *(if applicable)* **$**_____

Breakdown of Fringe Benefits: (add additional pages if needed)

Description: _____ Hourly Fringe Benefit $_____

Description: _____ Hourly Fringe Benefit $_____

Description: _____ Hourly Fringe Benefit $_____

Description: _____ Hourly Fringe Benefit $_____

**TOTAL EARNINGS PER HOUR $**_____

*My signature certifies that I agree with the information provided above and that I have received a copy of this document.*

_____
**(Employee Signature)**

_____
**(Date Employee Signed)**

_____
**(Employee Home Address)**

_____
**(Witness Signature)**

_____
**(Employee Phone)**

_____
**(Witness Printed Name)**

*Note:* If my employer asks that I perform more than one trade, the employer will prepare another form for my signature ***or*** pay me the highest wage of the multiple trades.

# CERTIFICACIÓN del EMPLEADO

CONTRATISTA: _____

SUBCONTRATISTA: _____

PROYECTO: _____

CONTRACTO: _____ SOLICITACIÓN # _____

**Yo, _____, fui empleado para este proyecto el _____ como _____ y seré compensado según los requisitos de la escala de salario que prevalence para este proyecto según lo descrito abajo. También seré compensado por cualquier y todo trabajo realizado dentro de caulquier otra clasificación.**

*Indicar la escala de salario que prevalece:* **Construcción Edificios (BC)** *or* **Equipo Pesado y Carretera (HH)**

**Pago por hora** **$**_____

**Monto por hora de los beneficios complementarios <u>pagados por el empleador</u>** *(si aplican)* **$**_____

El desglose de los beneficios complementarios: (anexe páginas adicionales si fuese necesario)

Descripción: _____ Beneficios complementarios por hora $_____

Descripción: _____ Beneficios complementarios por hora $_____

Descripción: _____ Beneficios complementarios por hora $_____

Descripción: _____ Beneficios complementarios por hora $_____

**GANANCIAS TOTALES POR LA HORA** **$**_____

*Mi firma certifica que la información proporcionada arriba es correcta y que he recibido una copia de este documento.*

_____
**(Firma del Empleado)**

_____
**(Fecha en que el Empleado Firma)**

_____

_____
**(Domicilio del Empleado)**

_____
**(Firma del testigo)**

_____
**(Teléfono del Empleado)**

_____
**(Nombre impreso del testigo)**

*Nota:* Si mi empleador quiere que yo cobra más de una clasificación, él se encargará de preparer otro certificado para mi firma, **o** se pagará el precio que cotice más alto de los dos clasificación.

CITY OF AUSTIN

# Payroll Deduction Authorization Form

**This is authorization for** _____
(Esta es autorización para)
*Name of Contractor (Nombre del Contratista)*

**to deduct from my paycheck the amount of** $ _____
(a deducir de mi cheque de pago de la cantidad de)

| Payment Type (Tipo de Pago) | Deduction Amount ($) (Cuanto para Deducción) | Frequency: *check which applies* (Frecuencia: *que se aplica una)* | | | |
|---|---|---|---|---|---|
| | | One Time Only (una ves solamenta) | Weekly (cada semana) | Bi-Weekly (cada dos semanes) | Monthly (cada mes) |
| Loans (Prestados) | | | | | |
| Retirement (Retiro) | | | | | |
| Advance on Wages (Deniro avanzar de pago) | | | | | |
| Savings (Ahorros) | | | | | |
| Savings Bonds (Enlance que ahorra) | | | | | |
| Uniforms (Uniformes) | | | | | |
| Credit Union/Bank (Banco o unión de crédito) | | | | | |
| Profit Sharing (Distribución de Beneficios) | | | | | |
| Donations (Donaciones) | | | | | |
| Insurance Premiums (Primas de seguro) | | | | | |
| Union Dues (Pagos de la union) | | | | | |
| Child Support (Manutención de Niños) | | | | | |
| Other - Specify (Otro - Especifique) | | | | | |

**Employee's Signature:** _____ **Date:** _____
(Firma del Empleado) (Fecha)

**Employee's Printed Name:** _____
(Nombre impreso del Empleado)

**Project Name:** _____
(Nombre del Proyecto)

**Job Classification:** _____
(Clasificación del Proyecto)

**Hourly Base Wage: $** _____ **(THIS PROJECT ONLY)**
(Pago por Hora) (ESTE PROYECTO SOLAMENTE)

**CITY OF AUSTIN**

# WEEKLY PAYROLL

(For Contractor's Optional Use: See Instructions)

NAME OF CONTRACTOR ☐ OR SUBCONTRACTOR ☐ ADDRESS PAGE ____ OF ____SHEETS

PAYROLL No. FOR WEEK ENDING PROJECT AND LOCATION PROJECT/CONTRACT NO.

| (1) NAME AND ADDRESS OF EMPLOYEE | (2) WORK CLASSIFICATION | Overtime or Straight Time | (3) DAY AND DATE | | | | | | | (4) TOTAL HOURS | (5) RATE OF PAY/FRINGES | (6) GROSS AMOUNT EARNED - THIS JOB/ALL JOBS | (7) DEDUCTIONS - BASED ON GROSS WAGES FOR ALL PROJECTS | | | | | | (8) NET WAGES PAID FOR WEEK |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Wed | Thu | Fri | Sat | Sun | Mon | Tue | | | | FWH | MCARE | FICA | | *OTHER | TOTAL DEDUCTIONS | |
| | | | HOURS WORKED EACH DAY | | | | | | | | | | | | | | | | |
| | | OT | | | | | | | | | | | | | | | #1 | | |
| | | ST | | | | | | | | | | | | | | | #2 | | |
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| | | | | | | | | | | | | | | | | | #4 | | |
| | | OT | | | | | | | | | | | | | | | #1 | | |
| | | ST | | | | | | | | | | | | | | | #2 | | |
| | | | | | | | | | | | | | | | | | #3 | | |
| | | | | | | | | | | | | | | | | | #4 | | |
| | | OT | | | | | | | | | | | | | | | #1 | | |
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| | | OT | | | | | | | | | | | | | | | #1 | | |
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| | | | | | | | | | | | | | | | | | #4 | | |

*THIS COLUMN SHOULD MATCH THE PAYROLL AUTHORIZATION FORM.

## INSTRUCTIONS FOR COMPLETING CITY OF AUSTIN PAYROLL FORM

Column 1 – Name and Address of Employee: The employee's full name must be shown on each weekly payroll submitted. The employee's address must also be shown on the payroll covering the first week in which the employee works on the project. The address need not be shown on subsequent weekly payrolls unless the address changes.

Column 2 – Work Classification: List classification descriptive of work actually performed by employees. Consult classification and minimum wage schedule set forth in contract specifications. If additional classifications are deemed necessary, contract City of Austin representative. Employee may be shown as having worked in more than one classification provided accurate breakdown or hours so worked is maintained and shown on submitted payroll by use of separate entries.

Column 3 - Hours Worked Each Day: For each day, provide the number of hours the employee worked. Enter as overtime hours the number of hours worked in excess of 40 hours a week.

Column 4 – Total Hours: Self-explanatory

Column 5 - Rate of Pay/Fringes: In straight time box, list actual hourly rate paid the employee for straight time worked plus in cash in lieu of fringes paid the employee. When recording the straight time hourly rate, any cash paid in lieu of fringes may be shown separately from the basic rate, thus $3.25/$0.40. This is of assistance in correctly computing overtime. See "Fringe Benefits" below. In overtime box show overtime hourly rate paid, plus any cash in lieu of fringes paid the employee. See "Fringe Benefits" below. Payment of not less than time and one-half the basic or regular rate paid is required for overtime. In addition to paying no less than the predetermined rate for the classification which the employee works, the contractor shall pay to approved plans, funds or programs or shall pay as cash in lieu of fringes amounts predetermined as fringe benefits in the wage decision made part of the contract. See "FRINGE BENEFITS" below.

FRINGE BENEFITS - Contractors who pay all required fringe benefits: A contractor who pays fringe benefits to approved plans, funds, or programs in amounts not less than were determined in the applicable wage decision of the Secretary of labor shall continue to show on the face of the payroll the basic cash hourly rate and overtime rate paid to his employees just as he has always done. Such a contractor shall check paragraph 4(a) of the Statement of Compliance to indicate that he is also paying to approved plans, funds or programs not less than the amount predetermined as fringe benefits for each craft. Any exceptions shall be noted in section 4(c).

Contractors who pay no fringe benefits: A contractor who pays no fringe benefits shall pay to the employee, and insert in the straight time hourly rate column of the payroll, an amount not less than the predetermined rate for each classification plus the amount of fringe benefits determined for each classification in the applicable wage decision. Inasmuch as it is not necessary to pay time and a half on cash paid in lieu of fringes, the overtime rate shall be not less than the sum of the basic predetermined rate, plus the half time premium on basic or regular rate, plus the required cash in lieu of fringes at the straight time rate. In addition, the contractor shall check paragraph 4(b) of the Statement of Compliance to indicate that he is paying fringe benefits in cash directly to his employees. Any exceptions shall be noted in Section 4(c).

Use of Section 4(c), Exceptions

Any contractor who is making payment to approved plans, funds, or programs in amounts less than the wage determination requires is obliged to pay the deficiency directly to the employees as cash in lieu of fringes. Any exceptions to Section 4(a) or 4(b), whichever the contractor may check, shall be entered in section 4(c). Enter in the Exception column the craft, and enter in the Explanation column the hourly amount paid the employee as cash in lieu of fringes and the hourly amount paid to plans, funds, or programs as fringes. The contractor shall pay, and shall show that he is paying to each such employee for all hours (unless otherwise provided by applicable determination) worked an amount not less than the predetermined rate plus cash in lieu of fringes as shown in Section 4(c). The rate paid and amount of cash paid in lieu of fringe benefits per hour should be entered in column 5 on the payroll.

Column 6 - Gross Amount Earned This Job/All Jobs: Enter gross amount earned on this job. If part of the employees' weekly wage was earned on jobs other than the job described on this payroll, enter in column 6 first the amount earned on this job and then the gross amount earned during the week on all jobs, thus $63.00/$120.00.

Column 7 - Deductions: Five columns are provided for showing deductions made. If more than five deductions should be involved, use first four columns; show the balance deductions under "Other" column; show actual total under "Total Deductions" column: and in the attachment to the payroll describe the deduction contained in the "Other" column. If the employee worked on other jobs in addition to this project, show actual deductions from his weekly gross wage, but indicate that deductions are based on his gross wages.

Column 8 - Net Wages Paid for Week: Self-explanatory

Totals - Space has been left at the bottom of the columns so that totals may be shown if the contractor so desires.

Space has been provided between items (1) and (2) of the Statement of Compliance for describing any deductions made. If all deductions made are adequately described in the "Deductions" column above, state "See Deductions column in this payroll." See paragraph entitled "FRINGE BENEFITS" above for instructions concerning filling out paragraph 4 of the Statement of Compliance.

# STATEMENT OF COMPLIANCE

Date: _____

I, _____ do hereby affirm:
*(Name of Signatory Party and Title)*

**(1)** That I pay or supervise the payment of the persons employed by _____ ***(Name of Contractor or Subcontractor)*** on the _____ ***(Name of Project;)*** that during the payroll period commencing on _____day of _____, _____, and ending on 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 _____ ***(Name of 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 Section 00830 of the contract, *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 workers 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 worker 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

O In addition to the basic hourly wage rates paid to each worker 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

O Each worker 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

| (CRAFT) EXCEPTION | EXPLANATION |
|---|---|
| | |
| | |
| | |
| | |
| | |
| | |

| PRINTED NAME AND TITLE | SIGNATURE |
|---|---|

**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**