

CITY OF AUSTIN PRESENTS



Your partner in capital project delivery!

Wage Rates and Payroll Reporting Section 00830 for Construction Projects



PURPOSE

- To provide an overview of our prevailing wage requirements and compliance processes.
- To identify key areas of concern that affect the contractors' success in complying with the terms of their contract.



COA REQUIREMENTS

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



Requirements of Section 00830 of the contract

- Payment – wage classifications, minimum wages, and overtime
- Apprentices – must be registered in a DOL-approved program or be paid journeyman wages
- Withholding of Payments – pay discrepancies can result in payments being withheld
- Payrolls – record-keeping and accessibility requirements
- Complaints and Penalties
- Area Practice – which wage schedule applies
- Texas Open Records Act – most records are subject to open records requests



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.



PREVAILING WAGE RATE DETERMINATIONS

- Heavy and Highway rates
- Building Construction rates
- Others (Heavy Tunnel, Onshore Pipeline, Offshore Pipeline)
- If more than one determination is included in the contract, the location of the work determines which schedule applies.



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

- We review the following to verify compliance with Section 00830 of the Contract:
 - Weekly Certified Payroll
 - Proof of Fringe Benefits (if applicable)
 - Statement of Compliance
 - Employee Certifications
 - Payroll Deduction Authorization Forms
 - Employee Interviews and Observations



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.



WAGE AUDITS

- Non-federally funded projects
 - **Complaint-driven**
 - We can receive a complaint from anyone **or** discover something during a site visit that will trigger an audit.
 - **Random**
 - A project is pre-selected for random audit based on Risk Assessment and guidelines for Random Selection of Wage Audits.



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 provide documents to Owner within 2 working days of request
- Contractor failed to display required Postings on site
- Contractor allowed employees to work under more than one classification without recording time under each classification or without paying the highest wage rate of the multiple classifications



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.



SANCTIONS AND PENALTIES

- What happens if a Contractor violates the Conditions of the Contract?
 - Funds may be withheld from Prime Contractor until back wages are paid.
 - Funds may be withheld from subcontractors until back wages are paid.
 - A Contractor or Subcontractor who violates their contract may be fined \$60 per worker for each calendar day that a worker is paid less than the wage rates in the contract, in addition to paying any back wages due.
 - Confirmed Retaliation against employees who provide information during an interview or investigation on wages received may result in suspension or debarment from consideration of award on future City projects.



FREQUENTLY ASKED QUESTIONS

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

A. No. Employees will not all be interviewed at the same time; others may continue to work while interviews are taking place.

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

A. Contractor may choose to keep records of the time employees worked at each classification and pay workers accordingly, or the employees must be paid the higher wage of the multiple 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

- 4. Q. Are subcontractors required to fill out the required documents?**
- A.** Yes. The contract requires that the Employee Certification form be filled out and signed by each of the contractor's AND subcontractors' employees. It is strongly recommended that these be filled out prior to the employee beginning work on the site.
- 5. 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.
- 6. 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 should have notified the employees of periodic audits, and instructed them to participate.



WHOM TO CONTACT

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