

# **NSP and Federal Labor Standards Compliance - Infrastructure Only**

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## **Why are Labor Standards Crucial?**

- Standards guarantee fair wages and compensation for workers
- Helps provide a level playing field for bidders
- Local grantee must ensure and document compliance
- Transgressions endanger future funding
- Required by program and other federal laws

## **Key Federal Statutes**

- Davis-Bacon Act
- Contract Work Hours and Safety Standards Act
- Copeland Act

## **Davis-Bacon**

- HCDA requires construction contracts over \$2,000 or residential projects with 8 or more housing units comply with Davis-Bacon Act
  - Includes alteration, repair, painting & decorating
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## **Copeland Act**

- Prohibits “kickbacks”
- Requires contractors to submit certified:
  - Payrolls with a signed “statement of compliance” each week
- Regulates deductions from wages:
  - FICA, federal & state taxes
  - Bona fide prepayment of wages
  - Court ordered payments, fringe benefit plans, etc.

## **Davis – Bacon Factors of Applicability**

- All laborers and mechanics employed by contractors or subcontractors
- Requires payment of at least prevailing wages
- Requires weekly payment of wages

## **Responsibilities of Grantee**

- Designate a Labor Standards Compliance Officer
- Request a Wage Decision (contact CDBG Labor Standards Officer)
- Put Wage Decision and Labor Standards clauses (Form 4010) in contract bid documents
- Check contractor eligibility (Debarment check-contact CDBG Labor Standards Officer)
- Conduct a pre-construction conference to discuss above (optional)

### **Responsibilities of Grantee (con't)**

- Review weekly payrolls and compliance statements
- Conduct employee interviews
- See that underpaid workers receive restitution
- Maintain contract management system and compliance file

### **Davis-Bacon Wage Determinations**

- Must be included in bid documents and contract
- Established by geographic area
- May be modified periodically
- Published for four types of construction
- [www.wdol.gov](http://www.wdol.gov)

### **Davis-Bacon Wage Determinations Types of Construction**

- ***Building*** – sheltered enclosures that house persons, machinery, equipment, etc. Also apartment building over 4 stories
- ***Residential*** – single family houses, townhouses, and apartment buildings up to four stories
- ***Highway*** – roads, highways, sidewalks, parking areas, and other paving work not incidental to other construction
- ***Heavy*** – projects that can't be classified as Building, Residential or Highway

### **Employer Requirements**

- All laborers and mechanics must:
- Be classified in accordance with the Wage Decision
- Be paid at rates  $\geq$  those on Wage Decision
- Each employer must submit certified payrolls reflecting all hours worked
- Two Poster: -Wage Determination -DOL "Notice to Employees"

### **Grantee Compliance/Monitoring**

- On-site employee interviews should be used as a proactive enforcement tool
- Each employer must:
  - Maintain full documentation, including payrolls and related records, for at least 3 years following completion

## **Prime Contractor**

- Responsible for all employers on project
- Subcontractors communicate through prime
- Ensures labor provisions in all subcontracts
- Submits certified payrolls for own employees
- Provides subs with forms and guidance
- Ensures access to employees on site
- Responsible for restitution to underpaid employees
- Posters

## **Certified Payroll Basics**

### Employee Information

- Employee name, address, SSN
- Employee work classification
- Rate of pay
- Straight / OT hours worked per day, per week on this project

### Wages and Deductions

- Gross wages earned
- Deductions from wages
- Net pay
- Statement of Compliance:
  - one for each weekly payroll
  - signed by corporate official (or designee)

## **Recordkeeping Requirements**

- Copies of Wage Decisions
  - Modifications
- Preconstruction Minutes if applicable
- Bid Documents and Copy of Contract
- Notification of Contract Award
- Documentation of all enforcement actions
- Weekly payrolls with statement of compliance
- Employee Interviews
- Contractor clearance
- Securing confidentiality of records
- Final Wage Compliance Report