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INTRODUCTION

This *Labor Standards Handbook* is intended to provide in-depth information about federal labor standards provisions and compliance requirements to those communities eligible for State of Arizona Community Development Block Grants (CDBG), subrecipients and grantees funded by the Arizona Department of Housing (HOUSING). These requirements are applicable only to the State of Arizona's CDBG non entitlement program. This includes: all counties except Maricopa and Pima; all of the incorporated cities and towns in Arizona except for those located within Maricopa and Pima Counties and the cities of Flagstaff and Yuma. Although most of the aspects of labor standards compliance are statutory and equally applicable to CDBG entitlement communities, many of the forms and procedures are unique to the HOUSING program. Thus, non-HOUSING funded entities are encouraged to communicate directly with HUD before relying on this handbook for guidance.

It is important for readers to understand that although the CDBG program is funded by the Department of Housing and Urban Development (HUD), the ultimate responsibility for enforcing federal labor standards lies with the Department of Labor (DOL) based on an Interagency Agreement. Thus, although HUD does monitor the State for compliance and provides handbooks and guidance, HUD must comply with DOL regulations, interpretations and guidance.

This version dated February 2003 replaces the February 1998 issue of the *Labor Standards Handbook*.

1.0 OVERVIEW OF FEDERAL LABOR STANDARDS AND COMPLIANCE REQUIREMENTS

1.1 INTRODUCTION

Each community that will implement a construction/public works project that will be bid to a private contractor and cost in excess of \$2,000 must adhere to the federal labor standards provisions as outlined in this handbook. The dollar amount refers to the TOTAL project cost, including labor and materials, *whether paid for with CDBG or other funds*. A project cannot be broken into smaller segments to avoid these provisions.

The payment of Davis-Bacon prevailing wages, as established by the U.S. Department of Labor, is only one aspect of such compliance. Throughout this handbook the term "Davis-Bacon and Related Act" or "DBRA" will be used interchangeably with the term "federal labor standards provisions" to refer to all the compliance issues required by such provisions.

Grantees and/or CDBG eligible communities should read this handbook carefully to determine whether or not federal labor standards provisions cover their project. Violations of these provisions can result in very time consuming and expensive corrective actions and restitution.

State of Arizona Department of HOUSING (HOUSING) is aware that in many cases the grantee will contract out many of the responsibilities discussed in this handbook. However, by virtue of signing the contract with HOUSING, ***the grantee is the responsible party*** for adherence to all applicable federal labor standards provisions.

1.2 APPLICABLE LAWS

The term "federal labor standards" or DBRA refers to several statutes and their implementing regulations as listed and summarized below:

Davis Bacon Act (DB). This law requires that laborers and mechanics receive not less than the wages determined by the Secretary of Labor to be "prevailing" in the area for the type of work performed. These are not necessarily the same as union wages. The law also requires the payment of fringe benefits as determined by the Secretary of Labor, payments without deductions or rebates, the withholding of funds from contractors to ensure compliance, and termination of the contract and/or debarment of contractors for serious and willful violations.

Laborers and mechanics are defined as: "workers whose duties are manual or physical versus mental or managerial." A mechanic is defined as one who uses tools or performs work of a trade as differentiated from a laborer.

Contract Work Hours and Safety Standards Act (CWHSSA). This law applies only if the construction contract is over \$100,000 and: defines overtime as all hours worked over forty (40) in any work week; requires overtime compensation at not less than 1½ times the regular hourly rate (not including fringe benefits) be paid for such hours to all laborers, mechanics, watchmen and guards; and makes employers responsible for back wages and for liquidated damages at the rate of \$10 per day if there are violations. Intentional violations are a federal criminal misdemeanor.

Copeland Act (Anti-Kickback Act). This law provides that all workers be paid unconditionally, and without deductions (except those that are permissible), based on four DOL criteria. Deductions that meet such criteria include taxes, legally permissible voluntary deductions and those required by court action. It also requires the maintenance and submission of weekly payroll reports and statements of compliance. Further, it makes it a criminal offense for any person to induce an employee to give up any portion of his/her compensation.

Fair Labor Standards Act (FLSA). This covers wages, overtime (even if the project is not subject to CWHSSA), record keeping and child labor standards for other employees hired by the contractor (i.e., those not covered by the federal labor standards provisions, such as secretaries, bookkeepers, janitors, engineers, etc.). Based on a U.S. Supreme Court decision, this law also applies to local government employees. Unlike the other three statutes, HUD does not require the state to enforce or monitor for compliance with this law. However, if the CDBG Program does identify violations it will notify the Department of Labor, which is responsible for enforcement. Applicants and grantees should note that they have certified to the fact that they are complying with all applicable federal, state and local laws, ordinances and regulations.

1.3 WHY COMPLY?

There are three bases for the applicability of federal labor standards provisions to the CDBG program, one statutory and 2 regulatory. These are:

- Section 110 of Title I of the HOUSING and Community Development Act of 1974, as amended, is titled "Labor Standards." It states that "All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this title (which establishes the CDBG program), shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended; Provided, that this section shall apply to the rehabilitation of residential property only if such property is designed for residential use for eight or more families....."
- The State CDBG Program regulations found at 24 CFR 570.487(a) state that "...Certain statutes are expressly made applicable to activities assisted under the Act by the Act itself, while other laws not referred to in the Act may be applicable to such activities by their own terms..." which includes federal labor standards. The Preface to these state regulations, issued November 1992, specifically states on page 53392 that "...The statutes and Executive Orders deleted (from the revised regulation) are... labor standards..." Further, Section 570.489 (l) is titled "Debarment and suspension," and requires all grantees to ensure that, "contractors at all tiers in their programs certify that they are not debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded."
- 29 CFR Part 5: Labor Standards Provisions, published October 3, 1986, is titled "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction." These regulations define the term "labor standards" as "the requirements of the Davis Bacon Act, Contract Work Hours and Safety Standards Act, and Copeland Act" and spell out all of the requirements of each act.

1.4 THRESHOLDS OF APPLICABILITY

Federal labor standards provisions apply if a project meets the following three criteria:

- it is financed in whole or in part with CDBG funds, and
- it is for construction, alteration or repair, and
- the total cost is in excess of \$2,000.

Examples are: street improvements; water or sewer replacements or installation; construction or rehabilitation of senior or community centers; demolition (as part of a larger project), construction of new HOUSING if undertaken by an eligible entity or rehabilitation of multifamily HOUSING.

1.5 EXEMPT PROJECTS

The only projects that are exempt from these DBRA provisions, even though they meet the three criteria above, are:

- Rehabilitation of residential property consisting of eight (8) units or less. That is, DBRA applies **ONLY** to a building designed for eight or more units. DBRA does not apply to unrelated buildings, regardless of the number. Therefore, buildings designed for seven or fewer units can be bid at one time and rehabilitated under one contract as long as each is intended for or under separate ownership.
- Clearance or demolition with **NO** subsequent activity to be financed with CDBG funds.
- Tree planting **only**. Elaborate landscaping however is covered; simple landscaping, as defined by the local grantee and approved by the CDBG Program, is exempt.
- Projects implemented by the grantee's existing work force or new employees hired by the grantee specifically to conduct this project, whether on a permanent or temporary basis. However, such actions cannot be in conflict with the Arizona Revised Statutes, specifically A.R.S. §34-201, which mandates public bids for certain types of construction work by a public agency.
- Projects for which CDBG funds are only a loan guarantee.
- Transitional HOUSING/Group Homes if:
 - a) The facility is designed in a manner similar to a single family residence in both lay out and scale were each "Family" has its own unit (even if such is shared) though there may be a shared kitchen and bathroom, and
 - b) Residents stay for a minimum of six (6) months.

Where CDBG funds are used exclusively for the activities listed below, the construction which follows (to include reconstruction, rehabilitation and renovation) is **NOT** covered by Davis Bacon, although it is considered to be part of the CDBG project for ERR and national objective benefit purposes. However, the construction funding must be clearly delineated from the CDBG funding for the listed activity(ies), and will generally be paid for by the local government or private sector monies.

- Land acquisition.
- The purchase of machinery or equipment; however installation may trigger Davis Bacon.
- Architectural and engineering fees.

Note: The use of CDBG funds to purchase materials DOES trigger Davis Bacon if not used by grantee staff, volunteers or offenders.

1.6 EXEMPT EMPLOYEES

The following persons are *exempt* from the payment of Davis Bacon wages, although the *project is still covered* by the other federal labor standards provisions.

- An on-site but non-construction superintendent or foreman, i.e., a person who does not perform "hands-on work." However, if that person performs hands-on work, in addition to supervision, for 20% or more of his/her total work hours, s/he must be paid Davis Bacon

wages and be reported as required for all hours during which s/he performs mechanic's or laborer's duties;

- An apprentice/trainee or summer youth, only with appropriate documentation, to include a person in a HUD approved Step Up Program.
- A volunteer (see Section 12.1).
- A utility company employee (see Section 12.15).
- Offenders/convicts (see Section 12.2).
- The owner(s) of the business who are referred to as the "self employed owner(s)," only with appropriate documentation, are exempt from reporting his/her own wages. However, that person(s) is technically covered by DBRA.

1.7 ABBREVIATIONS AND TERMS

The following abbreviations and terms are used throughout this handbook:

4010	The specific federal labor standards required by HUD for all CDBG contracts, which must be included in all "covered" construction contracts
BOD	Bid opening date
Contractor	Usually refers to the prime contractor; at times refers to all private entities with whom the grantee has a covered contract
Covered	A project and its resulting contract that must comply with federal labor standards
CWHSSA	Contract Work Hours and Safety Standards Act
DB	Davis Bacon Act; also sometimes used to stand for all the federal labor standards with which a "covered" CDBG contract must comply.
DBRA	Davis Bacon and Related Acts; often used synonymously with the term "LS" to indicate all of the federal labor standard requirements applicable to a covered CDBG project and resulting contract
DOL	Department of Labor (federal agency)
FB	Fringe benefits as required by the WRD
HUD	Department of HOUSING and Urban Development (federal agency)
LS	Labor Standards; includes DB, CWHSSA, Copeland and the applicable WRD
OT	Overtime as defined by CWHSSA
Prime	The construction contractor with whom the grantee has the contract; the prime in turn may have one or several subcontracts and each of those may have one or several subs
SOC	Statement of Compliance (LS-5)
Sub	A bona fide and licensed subcontractor that has a contract with the prime contractor and may or may not have additional subs
WRD	The original wage rate issued by DOL plus any modifications or supersessions

1.8 LABOR STANDARDS FORMS

To comply with the CDBG Program requirements relating to DBRA, grantees must use and submit to the CDBG Program a number of forms. All such forms are identified by the letters **LS**. A list of all forms and a brief description of their use follows. Please note that the CDBG Program may request any or all of these items at any time if it believes a review is necessary to document compliance with LS requirements.

LS FORM	TITLE	USE/SUBMITTAL
LS-1	Wage Rate Request	Submitted to CDBG to obtain WRD. Can also be used to request an "Add a Classification."
LS-2	Contractor's Verification	Send to CDBG to verify contractor; CDBG returns to grantee; or completed by the grantee (based on its own list or check of such via Internet) and mailed to CDBG; must be verified before a construction contract is signed. Must be included in the bid and contract.
LS-3	Subcontractor's Verification	Same as LS-2. Must be included in the bid and contract.
LS-4	Weekly Payroll Report	To be submitted by the contractor; at least one to be mailed to CDBG along with the initial F-3 requesting funds to pay the construction contractor, unless for mobilization expenses then note "mobilization" on the F-3. Must be included in the bid and contract.
LS-5	Statement of Compliance (SOC)	Same as LS-4. Must be included in the bid and contract.
LS-6	Pre-Construction Conference Report	Documents the conference. Must be retained by grantee in its LS files.
LS-7 *	Notice to Employees	Posted and verified via the LS-10.
LS-8	Construction Status Report	Mailed to CDBG within 7 days of the start of construction.
LS-9 *	Employee Interview	At least one mailed to CDBG with the first F-3 for payment to a construction contractor; others retained in grantee LS files.
LS-10	On-Site Inspection Report	Attached to LS 9; at least one mailed to CDBG with the first F-3 for a construction contractor; others retained in grantee LS files.
LS-11	LS Investigation Report	Mailed to CDBG, if appropriate.
LS-12	LS Enforcement Report	Mailed to CDBG, if appropriate.
LS-13	Request to Conform an Additional A Classification	Mailed to CDBG, if appropriate.
LS-14	Fringe Benefit Documentation	Mailed along with initial LS 4/5, if applicable.
LS-15 *	Authorization for Deductions	Mailed along with initial LS-4/5, if applicable.
LS-16	Volunteer Certification	At least one mailed to CDBG with first F-3 for construction materials; others retained in grantee LS files.
LS-17	Certification for Applicable Fringe Benefit Payments	Mailed along with LS-4/5, if applicable.

*** ALSO AVAILABLE IN SPANISH**

1.9 GRANTEE RESPONSIBILITIES

The grantee is responsible for taking all of the actions listed below to ensure compliance with federal labor standards. Many of these responsibilities are discussed in detail in later parts of this handbook.

1.9.1 Identify an LS Monitor and Develop an LS Compliance Plan

The grantee must identify *one* person who will have primary responsibility for labor standards provisions compliance. This may or may not be the CDBG Contact Person. However, whether that person actually takes all the actions listed or delegates some of them (as discussed below) s/he must be knowledgeable about labor standards provisions requirements in order to ensure that the delegated work is being accomplished correctly.

The grantee should also develop an "LS Compliance Plan." The CDBG Program recommends that this be in writing but does NOT require its submittal to CDBG. As LS compliance has many components and differs in scope from project to project, the Plan must determine what tasks will be delegated and to whom, and the flow of paperwork and reporting responsibilities. For example, the LS Plan should indicate who will be responsible for the following: requesting the WRD, ensuring that the bid and contract contain all LS required documents; submitting the LS-2/3s to CDBG; conducting the pre-construction conference and documenting such; visiting the work site on a regular basis; desk monitoring the LS-4/5s; following up on LS-4/5 concerns; conducting interviews; site inspections; and investigating and resolving complaints. Different tasks may be assigned to different people, especially if the project is lengthy and involves both a prime contractor and several subcontractors. It is extremely important that these tasks be determined *before* the project is initiated to ensure compliance.

Example: The Town Clerk, who is also the CDBG Contact Person, will be the LS Monitor, and will investigate and resolve complaints. The engineer will be responsible for requesting the WRD, submitting the LS-2/3s to CDBG, ensuring that the bid and contract contain the LS documents and for conducting the pre-construction conference. COG staff will document the conference, desk monitor LS-4/5s and inspect LS 9/10s. The grantee's public works director will drive by the site regularly and conduct interviews and on site inspections (LS 9/10). On a weekly basis, the LS monitor will meet with all those involved to receive and review paperwork and discuss any outstanding concerns.

If the grantee chooses to contract out some responsibilities (e.g. to the project engineer), the contract scope of work should clearly outline all phases of this responsibility. The contract should also contain provisions for recovery of any costs incurred by the grantee due to non-compliance.

1.9.2 Establish Files

The grantee must establish both a separate Construction Contract File and a Labor Standards File for each DBRA covered contract. A checklist for each file can be found in the Appendix. Note that all contractor payment requests and approvals for payment must be retained in the Financial Management File. Change orders and evidence of their approval should be in the Construction Contract File.

1.9.3 Request a WRD from CDBG

Using the LS-1 form, the grantee must request a wage determination from the CDBG Program (see also Section 2).

1.9.4 Prepare a Complete and Compliant Bid and Contract

The bid should include a clear statement indicating that it is a federally funded project that will require the successful bidder to adhere to federal labor standards provisions. The grantee *must* submit a copy of the bid and later of the contract to the CDBG Program for review and approval. The grantee should use the Bid Document Desk Monitoring form and the Construction Procurement Checklist to ensure that the bid/contract contains all of the required items. For quicker review and approval by the CDBG Program, it is recommended that a completed desk monitoring form be submitted along with the bid/contract. Refer to the *Procurement and Contracting Handbook* for monitoring forms, checklists, and additional information on construction bids.

Note: The CDBG Program will *not* review the detailed bid specs for technical accuracy. Thus, approval of the bid document is *not* approval of the technical design of the project; it is approval of the bid only in terms of compliance with labor standards requirements and other CDBG Program requirements.

1.9.5 Verify All Contractors and Subcontractors

The grantee must verify that all contractors and subcontractors are eligible to receive federal funds (not on the HUD List of Parties Excluded from Federal Procurement or Non Procurement Programs). (See also Sections 4.2 and 4.3.) ***Contractors and subs must be verified before any contracts are signed.*** The grantee may request verification for several bidders to ensure that any of those selected can legally be awarded a contract.

1.9.6 Conduct and Document a Pre-Construction Conference

The grantee must hold a pre-construction conference before actual construction begins. Note that this is not the same as a pre-bid conference. During this conference all aspects of DBRA compliance and the role of the grantee in monitoring for such compliance should be fully discussed as well as the technical job specifications and construction deadlines. This conference must be documented using the CDBG Pre-Construction Conference Report (LS-6).

1.9.7 Submit a Construction Status Report to CDBG

The grantee must provide to CDBG a Construction Status Report using form LS-8. This form will indicate the name of each contractor/subcontractor as well as other information. This report must be mailed to HOUSING within seven (7) days of the start of construction. If the entire project is not awarded to one contractor, this is to be noted on the LS-8 to ensure that the grantee continues to receive WRD modifications that will apply to later portions of the project as it is bid.

1.9.8 Monitor Weekly Payrolls/Statements of Compliance

The grantee must ensure that the contractor and all subcontractors submit Weekly Payroll Reports and Statements of Compliance (LS 4/5) within seven (7) days of the end of the workweek, and that such forms are complete and signed. The monitoring of such documents includes a variety of actions discussed in detail in Section 8.

1.9.9 Conduct Employee Interviews and On-Site Inspections

The grantee must ensure that employee interviews are conducted using the LS-9 form (see also Section 10). The information obtained through the interview is then compared with the information provided on the LS-4/5 and documented.

In addition, the grantee must conduct on site inspections using the LS-10 to ensure that the three required postings are visible and correct. As these inspections are usually conducted at the same time as Employee Interviews, the LS-10 has been combined with the LS-9. See also Section 10.

1.9.10 Request Conforming Classification

If no current job classification is applicable to and includes the work of a specific laborer or mechanic, an LS-13 form is used to request that a classification be conformed. The LS-13 should be signed by the contractor/sub and employee(s), if such has/have been hired. A detailed discussion of the LS-13 and the relationship of conforming a class to adding a class appear in Section 2.6

1.9.11 Investigate and Resolve All LS Complaints/Violations Promptly

The grantee **must** investigate all complaints and allegations of violations promptly. Both the complaints and violations and their resolution, which may include restitution to employees, should be documented on the required forms. A detailed discussion of these forms appears in Section 11.8.

1.9.12 Submit Documents to the CDBG Program to Obtain Funds

The grantee must provide the CDBG Program with *at least one LS-4/5 and at least one LS-9/10* after review by the grantee. These should be submitted within seven days of receipt. The CDBG Program will **not** approve a Request for Payment for payment to a construction contractor until these two items have been received and approved unless the request is to reimburse for mobilization expenses.

NOTE: HOUSING may require additional LS documentation for later payment requests if a project has numerous subcontractors, HOUSING review of the submitted LS-4/5 and 9/10 indicate significant concerns, or the grantee has had prior LS problems.

2.0 WAGE RATE DETERMINATIONS (WRD)

2.1 DEFINITION AND BASIS

A wage rate determination is defined as "the original wage decision plus any modifications plus any supersedes plus any corrections." All of these are issued by DOL. Each determination has a specific number, which appears on the determination, and which must be referred to in correspondence, reports, etc. WRDs have *no* expiration date although they are usually modified or superseded.

Wage rates are issued based on mail and/or personal surveys conducted by DOL. They represent the wages of 50% or more of the people in that specific job classification or the average of all the persons in that job classification, excluding federally funded employees. Persons wishing further information about how, when or where DOL conducts such surveys must contact DOL.

2.2 PROJECT CLASSIFICATIONS: TYPES OF WRDS

There are four classifications of wage rate determinations based on the type of project being implemented. These are:

- **Heavy:** This applies to general public improvements such as water and sewer projects to include: bridges, channels, drainage projects, demolition (not incidental to the building construction), flood control, sewage collection and disposal *lines*, sanitary and storm sewers, outdoor swimming pools, water supply *lines* (not incidental to buildings), the portions of water and sewage treatment plants *other than buildings*, and wells.

It includes all those projects not properly classified as building, highway or residential, and is not a homogenous classification but rather a "catch-all."

- **Highway:** This applies to highway and related construction to include: construction, alteration, or reconstruction of roads, streets, highways, alleys, parking areas and other similar projects *not* incidental to buildings or heavy construction; and curbs, excavation and embankments for road construction, fencing of highways, parking lots, resurfacing of streets or highways (which will extend the useful life by at least 8 years), roadbeds, roadways, shoulders, storm sewers, and street paving.
- **Building:** This applies to construction or rehabilitation of commercial buildings, non-residential buildings (such as senior citizen centers) or residential buildings of five stories or more, and includes construction, alteration and additions to all buildings to include five (5) story and over apartments (four story and under are considered residential), automobile parking lots in conjunction with a specific building, civic centers, commercial buildings, industrial buildings, libraries, nursing homes, power plants, prefabricated buildings, warehouses, water and sewage treatment plants (*buildings only*).
- **Residential:** This applies to construction or rehabilitation of residential structures of four stories or less; and where there are eight or more units involved

2.3 MORE THAN ONE TYPE OF WRD PER PROJECT

Some projects will need two different wage decisions, e.g., a sewer improvement project which includes both a treatment plant and lines will require two decisions: a building decision for the plant and a heavy and highway decision for the line work (see also the NOTE below). To

determine which projects will need more than one type of decision, the LS-1 form requests detailed information about the specific construction project. The rule of thumb as to whether a project will require more than one type of decision is as follows:

- **Two types of decisions** will be issued if the separate building construction activities are "substantial" in relation to the project cost, defined as more than 20% of the costs.
- One type of decision will be issued if the separate building construction item is "incidental" to the overall character of the project, defined as 20% or less of the project cost, and if there is not a substantial amount of construction in the second category, e.g., Community A receives a \$275,000 grant to replace 1,200 l.f. of 4 in. sewer lines with 6 in. lines and construct a new lift station with a small adjoining building. Engineering for this project is estimated to cost approx. \$25,000. Of the \$250,000 to be used for construction, it is estimated that \$40,000 will be used to construct the new lift station/adjoining building and \$210,000 will be used to replace the lines. The line upgrade requires a heavy decision while at first glance it would appear that the lift station/adjoining building would require a building decision. However, because the lift station/building cost is only 15% of the entire project cost, it can be considered as 'incidental' and covered by the one heavy decision.

NOTE: The 20% stated above is a general rule and may not be applicable when a project is very large and costly so that even the incidental component would involve a great deal of labor costs.

2.4 REQUESTING A WAGE RATE DETERMINATION: LS-1

Using the LS-1 form, the grantee must request a wage determination from the CDBG Program **at least 15 working days** before bids are advertised. A separate request for a wage determination must be made for each project. The grantee cannot assume that an existing wage rate from one project is applicable to another.

HOUSING recognizes the wage rate determination can be obtained on the internet. HOUSING also recognizes that this information is not updated therefore it may not be the accurate information needed. The software is available to purchase through HUD on a yearly basis or HOUSING will provide each community with the required information. If you choose to subscribe, HOUSING will still require the LS-1 with the wage rate determination attached, to be sent in *at least 15 working days* before bids are advertised.

NOTE: All costs incurred for the purchase of HUD's wage rate determination software is not eligible for reimbursement under HOUSINGs CDBG program.

2.5 WRD MODIFICATIONS

The CDBG Program is responsible for providing WRD modifications to all grantees. However, it can only do so if a grantee has requested a wage rate determination using form LS-1. Modifications are applicable as described below. It is therefore important that the grantee date the receipt of each modification to verify its applicability.

- If the grantee receives the modification 10 days or more before the Bid Opening Date (BOD), it must notify all potential bidders (those who have requested bid packages) of the modification by certified mail, return receipt requested or hand delivered, receipt requested.
- If the grantee receives the modification less than 10 days before the BOD and does not have time to notify all bidders of the modification, it must notify the CDBG Program of this circumstance and place a report to that effect in its Labor Standards File. For example, the

modification arrives on a Friday, only three calendar days before the BOD, 25 firms have received bid packages, and the grantee only has one secretary who normally handles such work. The grantee should telephone the CDBG Program immediately upon receipt of the modification, explain the circumstances, and place a note in the file describing the circumstances and the telephone conversation.

- If a contract is not awarded within 90 days of the BOD, any modifications received after the BOD will be effective. The grantee may submit a written request to HOUSING explaining that the extension is necessary and proper to prevent unjust or undue hardship or the impairment of government business. HOUSING shall submit this request to DOL through HUD.

2.6 ADDITIONAL JOB CLASSIFICATIONS AND CONFORMANCES

2.6.1 Additional Job Classifications

If a grantee determines, *prior to the BOD*, that an additional job classification (i.e., one not listed) is necessary, the community must provide contractors with estimated wages and fringes only for the purpose of assisting contractors to prepare responsive bids. The grantee must ensure that the bid indicates that these are "estimated" wages only, subject to change as determined by DOL after signing a construction contract. The grantee should submit an LS-1 to HOUSING, explaining the nature of the work to be performed by the class (or classes) to be added and why this work does not fall within any of the classifications on the existing WRD. HOUSING will forward this information to DOL for approval (or denial) and notify the grantee when such is received.

Prior to submitting this modified LS-1 to the CDBG Program, the grantee should carefully review all of the existing classifications in the WRD to ensure that the actual work to be performed does not appear in a classification already in the WRD. The focus should be on the *work* performed rather than a term/name for a job classification. The grantee should also be aware that the reason the class was omitted from the WRD is that there is no established pattern of wages paid in the area. Thus it is likely that the WRD issued for the added class will reflect only a small number of projects, probably union, which may thus result in a high rate of pay.

2.6.2 Conformances

If the grantee determines that a class of work is not being performed by any job class in the WRD, *after the BOD*, it may request that a job class be added by using the LS-13. This differs from the situation above in that at this time (after the BOD), the grantee can request that the added class be "conformed" to the existing WRD, in the sense of proposing an hourly rate and fringe benefit that is generally no lower than that of the lowest paid class other than a laborer or truck driver.

The conformance is applicable only to a specific project and thus requires no back up documentation regarding the proposed wage rate. Instead, agreement between the contractor/sub, grantee, and the employee is all that is necessary.

DOL requires that the request to conform meet the following criteria:

1. The work is not performed by any classification in the WRD;
2. The class is utilized in the area by the construction industry;
3. The proposed wage rate and fringe benefits bear a reasonable relationship to the wage rates contained in the WRD;

4. There is evidence of agreement on the classification and proposed wage rate among the parties involved, i.e., the contractor(s) and sub(s), the employees (if known), the grantee and the state; and
5. The request does not involve wage rates for apprentices or trainees or those in a Step Up Program.

The LS-13 includes all of the relevant data described above and may be submitted before specific employees have been identified.

After receiving the LS-13 from the grantee, the CDBG Program will review it for completeness and accuracy and submit it to DOL. However, the grantee must be aware that even if the request is approved by CDBG, it is **not** valid until DOL approves it. If this approval is delayed beyond the time when an employee is hired to do the work, the grantee/contractor may pay that person the amount indicated in the LS-13. However, should DOL issue a different wage rate, the grantee will be notified and will be required to notify the contractor and document that restitution was made to the underpaid employee(s).

2.7 WRONG DETERMINATION OR OMISSIONS

If a grantee has used the wrong determination (e.g., a heavy vs. a highway determination for a street project, a determination that applies to Pima County, or has forgotten to include the most recent modification), it must immediately amend the contract to include the correct WRD. Further, the correct rates are retroactive to the date of the signing of the original construction contract. The grantee must compensate the contractor for any increase in wages due employees as a result of the correct WRD. If the contractor was paying a higher wage, there is no liability in terms of LS compliance, as the law requires only that the contractor pay "at least the prevailing wage." However, the contractor may be liable in terms of contract law and should consult with its legal counsel before it attempts to make any *decreases* in wage rates.

If a grantee does not include a wage rate in the bid and/or contract, it does **not** relieve the grantee or the contractor of liability. The grantee must rectify the situation immediately by amending the contract, and must make restitution to all employees per the wage determination, from the date of hire.

2.8 HOW TO READ A WAGE RATE DETERMINATION

Reading and understanding a WRD is difficult. In order to determine if a Payroll Report (LS-4) accurately reflects the job classifications required for the project, and to adequately conduct employee interviews, the LS monitor must take time before the project begins to become familiar with the WRD. The CDBG Program strongly recommends that the grantee consult with its engineer, public works director or architect prior to the beginning of a project to identify the job classifications that will most likely be used. This will assist the grantee to determine whether the Payroll Reports accurately reflect the types of job classifications required for that project. The WRD should be discussed with the contractor and subcontractor during the Pre-Construction Conference (see Section 5).

Note that each determination has the following: a Decision Number, superseded, type of decision (heavy, highway, building, etc.), counties to which it applies, modification number (with the original decision being considered "0"), and publication date of the decision and each modification.

Each job classification is preceded by the name of the collective agreement which is the basis for DOL's "prevailing" wage rate determination, as well as the date the agreement was signed, e.g., "CARP1914C, 09/01/1993 = Carpenters Union, Local 1914C, signed September 1, 1993. Where the wages are not based on a collective bargaining agreement, the job classes are listed under "SU." Thus, job classifications are listed alphabetically on the basis of the name of the union signing the collective bargaining agreement rather than on the name of the job class per se. In most cases the job class name reflects the union that has the collective agreement. Thus, job classes will be in the order of: **A**sbestos workers, **B**oilermakers and **C**arpenters. However, if the collective agreement covers classes such as power equipment operators but is signed by the engineering union, (which would fall under "E"), that job class would be listed under "**E**" and before "Ironworkers," which are covered by the Ironworkers collective agreement ("I"). Simple isn't it??

Within each job classification there may be geographical categories or Zones. Zone pay is usually based on the location of the project relative to a specific site, e.g. City Hall, and has no relationship to where an employee lives. However, in a few cases the WRD may include some job classifications in which the pay is established based on residence. Zones are determined based on the distance from the *job site* to the closest of the four major cities: Phoenix, Flagstaff, Tucson, and Yuma.

Example:

Zone Pay: All Zones will be calculated from the nearest City Hall in Flagstaff, Phoenix, Tucson and Yuma.

Zone 1: 0 to 59 miles (wage rate as stated)

Zone 2: 60 to 100 miles, add \$1.00 per hour

Zone 3: 101 miles and over, add \$2.00 per hour

A construction project located in Holbrook would be in the Zone 2 area since Holbrook is 91 miles from the closest major city (Flagstaff). The contractor therefore would be required to add an additional \$1.00 per hour to employee wages.

An hourly rate and fringe benefit for each classification, by geographical location and/or further job class category, appears in the far right hand side of each determination. In some cases there will *no* fringe benefit listed or the fringe will be a percent of the hourly rate.

A sample copy of a section of a General Determination (highway) is included in the Appendix. Please review it carefully and call the CDBG Program if you have questions.

3.0 FEDERAL LABOR STANDARDS PROVISIONS: THE 4010

The Federal Labor Standards Provisions (the 4010) spell out the specific components of labor standards that are applicable to the CDBG Program. The 4010 also provides grantees with certain enforcement powers. A copy of the 4010 **must** be included in the bid specs **and** in the contract. Incorporation by reference is unacceptable. A copy of the 4010 is included in the Appendix.

3.1 CONTRACTOR RESPONSIBILITY

The contractor should know what these provisions contain because it is responsible for adhering to them; and, it is responsible for ensuring that its subcontractors also comply. The highlights of these provisions **must** be reviewed during the pre-construction conference. Further, non-compliance can lead to civil and criminal prosecution and penalties. A separate document entitled *A Contractor's Guide to Davis-Bacon Wage Requirements & Certified Payroll Reports* has been provided in Section 14 and should be given to contractors to help them comply with Davis-Bacon requirements.

3.2 COMPONENTS OF THE 4010

The most important components of the 4010 are:

- The contractor agrees to abide by the Davis Bacon Act, Copeland Anti-Kickback Act and Contract Work Hours and Safety Standards Act.
- The contractor agrees to post the WRD at the project work site.
- The contractor agrees to retain all payroll and other basic records for at least three years after the completion of the project. However, please note that **A.R.S. §35-214 requires a five-year retention period, which should be included in the construction contract.**
- Fringe benefits are enumerated, and it is required that fringe benefit plans must be provided in writing to employees.
- The contractor and subcontractor agree that interviews may be conducted during working hours.
- Apprentices and trainees are defined.
- Grounds for contract termination are spelled out.
- Contractors certify to their eligibility to receive federally funded contracts, and agree not to subcontract to any ineligible firms. (This is then documented with the LS-2 and LS-3.)
- Complaints, proceedings and testimony by employees are described to include protection of the identity of confidential sources (employees who make complaints) and prevention of unwarranted invasions of privacy.
- Conditions under which the grantee can suspend funds to the contractor are described, to include failure to comply with any labor standards clause such as timely submission of Weekly Payroll Reports and Statements of Compliance, LS-4/5.
- Health and safety requirements on the job are described.
- The site of the work or building is defined, to exclude furnishing of materials, articles, supplies or equipment, unless conducted in connection with and at the site of the building or work.

4.0 CONTRACTOR/SUBCONTRACTOR CERTIFICATIONS AND VERIFICATION

4.1 GRANTEE RESPONSIBILITY

It is the grantee's responsibility to verify the eligibility of each of its contractors and subcontractors paid in whole or in part with CDBG funds. CDBG funds **cannot** be used to pay a debarred/ineligible contractor. Thus, should a grantee sign a contract with a firm that is ineligible or should the contractor sign a contract with a sub who is debarred, no portion of the work performed by that contractor or sub can be paid for by the CDBG grant.

4.2 CONTRACTOR VERIFICATION PROCESS

The General Services Administration (GSA) maintains a master list of all firms that have been debarred for various infractions and thus are not eligible to receive any CDBG funds. The *Consolidated List of Parties Excluded from Federal Procurement or Non Procurement Programs*. HUD provides the CDBG Program with a quarterly listing of all such debarred/ineligible contractors, which is updated monthly. When a grantee requests a verification from the CDBG Program, staff check the name(s) of the firm, owners, partners and officers, and others having a substantial interest in the firm, as well as the names of other firms in which the owners themselves have a substantial interest.

NOTE: Contractor and subcontractor verification is valid for 1 year. Grantees should ensure that verifications are updated annually if using the same contractor on a continued basis for activities such as HOUSING rehabilitation.

There are three ways for a grantee to verify that a contractor/sub is not on the debarred list:

1. The grantee can submit the LS-2/3 to CDBG (by mail or fax), and CDBG shall check the information against the list, note such and return the form to the grantee. Grantees may also contact the CDBG Program by telephone for immediate verification but such will be contingent upon receipt of a copy of the signed LS-2/3.
2. The grantee may choose to obtain its own copy of this list, which costs \$48.00 for a single issue or \$221.00 per year for an annual subscription, by contacting: Superintendent of Documents, P.O. Box 371954, Pittsburgh, Pennsylvania 15250-7954 PH: (866) 512-1800 FAX: (202) 512-2250 (February 2003). The grantee must still ensure that all contractors and subcontractors complete LS-2s and LS-3s, as applicable and can then conduct its own verification of the contractor/sub. A copy of the verified LS-2/3 must be submitted to the CDBG Program within 7 days of verification and must indicate: the date that the information on the LS-2/3 was verified, the date of the list, the page number, and the name, title and telephone number of the person who performed the verification.

Please note that under no circumstances will an F-3, Request for Payment, be approved unless a verified LS-2/3 is received by CDBG for the contractor or sub for whom such funds are being requested.

3. The debarred list is also available on the Internet at <http://www.epls.gov/servlet/EPLSearchMain/1>. The grantee should perform two searches, one for the company name and one for the owner's name. The screen will then show the name that was searched, the result, the date the search was performed and when the database was last updated. This page can then be printed and attached to the LS-2/3 as documentation that the contractor/sub was verified. A copy of the LS-2/3 and the printed search result should then be mailed to the CDBG Program.

4.3 LS-2 AND LS-3

These forms are used to verify that a contractor or sub is eligible to work on a federally funded project and can be found in the Appendix. The forms contain language in which the contractor/sub

certifies that to the best of its knowledge it is not ineligible and will not subcontract work to any ineligible subcontractor (at any tier), or even to any sub if that sub has a substantial interest in any firm that is ineligible. The contractor or sub acknowledges that if it should sign a contract with a subcontractor found to be ineligible to receive federal funds, those costs will be subtracted from the amount billed to the grantee.

The forms also include a space where the WRD and all applicable modifications are identified. Thus, the contractor/sub acknowledges that these are included in the contract.

There are a few differences between the two forms:

LS 2

The contractor certifies that it is submitting a bid to the grantee

No dollar amount of the bid is stated

The contractor certifies that correction of infractions by subs is its responsibility, Item 1 (c)

LS-3

The sub certifies that it is submitting a bid to the contractor or sub

States the dollar amount of the bid

No such statement.

4.4 INCLUSION IN BID PACKAGE AND CONTRACT

The LS-2 and LS-3 must be included in the bid package. The LS-2 must be completed and returned to the grantee along with the bid, so that the prime contractor's eligibility can be determined. The LS-3 must be completed and returned to the grantee either before or within 10 days of the effective date of the contract between the prime and sub or a contract between two subs. This point should be *stressed* during the pre-construction conference.

Prior to signing a contract with the prime or general contractor, the grantee must ensure that there is a fully completed and signed LS-2 in the contract package AND that the contractor has been verified.

4.5 SUBCONTRACTOR VERIFICATION

Whenever possible, the contractor should identify all subcontractors prior to the signing of the contract, so that each can complete the LS-3 and also attend the pre-construction conference. However, if that is not possible, the grantee must stress during the pre-construction conference that should the contractor or any of its subcontractors subcontract any additional work during the time of the contract, the subcontract(s) must contain the LS-3. As stated in Item #3 of the LS-2 and LS-3, the contractor or sub agrees to provide this form to the grantee within 7 days of signature. As soon as these are provided to the grantee, the grantee must send a copy of such to the CDBG Program for verification or send verification that the grantee has verified the subcontractor.

Although it is the responsibility of the contractor not to subcontract with ineligible subs, in reality it is very difficult to expect a contractor to know which firms are debarred. Thus, the grantee should ensure that the contractor is aware that s/he must have the sub fill out an LS-3 and return it to the grantee as soon as possible to verify eligibility.

5.0 THE PRE-CONSTRUCTION CONFERENCE

Each grantee **must** hold a pre-construction conference after there is a signed contract and prior to the start of construction. This conference is not the same as a pre-bid conference. The purpose of the pre-construction conference is to provide a forum for the grantee, the contractor, and all known subs to discuss all of the compliance requirements in the contract. In most instances, a significant portion of this conference will be devoted to a discussion of the technical nature of the construction project itself. Although this is very important to the successful completion of the project, that aspect of the conference is not covered by labor standards provisions and will not be discussed here.

The importance of the conference cannot be over emphasized. For those contractors and subs who have never had a contract covered by labor standards provisions, the conference provides the opportunity for the grantee to clearly and in detail describe the significance of all provisions the contractor has agreed to abide by. This can help ensure that there are no LS problems or violations. To ensure the conference is useful to the contractors and subs, the grantee may wish to develop a more detailed agenda, to include the many complexities of DBRA, and distribute "A Contractor's Guide to Davis-Bacon Wage Requirements & Certified Payroll Reports" (see Section 14).

5.1 THE LS-6

The LS-6 must be used as the agenda for the conference. Once completed, a copy should be maintained in the grantee's Labor Standards File. A carefully completed LS-6 can help the grantee if there is a dispute between the contractor and the grantee. Every single item on the form **must** be filled out. A blank will indicate that an item was not covered, which is not compliant with CDBG Program requirements. Most sections of the LS-6 are self-explanatory. They include the specific aspects of labor standards compliance; records retention, civil rights compliance requirements; and the grantee and contractor roles and responsibilities.

During the conference, the grantee should discuss in detail the responsibilities of all parties. For example, *grantee responsibilities* are to: conduct interviews, review Payroll Reports, do on-site monitoring for postings, and resolve all complaints and violations. *Contractor responsibilities* include: ensuring that all CDBG required documents are in all subcontracts (and all tiers of such); timely and complete LS-4/5s (Payroll Reports and Statements of Compliance); posting the WRD, Notice to Employees and Non-Discrimination posters; paying overtime for hours worked over 40; submitting documentation of a fringe benefit plan and communication of such to each employee; allowing for employee on-site job interviews; and maintaining actual time records (e.g., earnings cards signed by both the employee and a supervisor) for at least five years.

During this conference the grantee should also discuss: a) the need for any conformances; b) the types of job classes most likely to appear on the LS-4; c) the contractor's "work week;" and d) the timeline for construction tasks, i.e., when subs will be on site to assist the grantee in planning on-site visits.

The grantee should keep additional notes of the conference, specifically regarding questions raised by the contractor/sub and answers given by the grantee. It is also recommended that the grantee request those present to sign an attendance sheet to verify attendance. If there are additional notes or a sign in sheet, these should be attached to the LS-6 and placed in the Labor Standards File.

5.2 NOTICE TO EMPLOYEES: LS-7

During the discussion of the required job postings, the grantee should provide one or more LS-7s to the contractor and ensure that the contractor has the required EEO posting. The grantee must fill in the information relating to the Contracting Officer before providing the form to the contractor. Further information about the LS-7 is provided in Section 10.2.4

These posters are available online at www.dol.gov/esa/regs/compliance/posters/davis.htm and are also available in Spanish (see page 13.16 of this handbook).

6.0 THE CONSTRUCTION STATUS REPORT: LS-8

The CDBG Program has developed a specific form, LS-8, which all grantees must use to report on the status of their construction activities. The LS-8 must be completed and mailed to the CDBG Program within seven (7) days after the start of construction. A separate report *must* be filled out for each Activity.

The LS-8 serves a two-fold purpose. First, it notifies the CDBG Program to stop sending modifications to the community, since once a project is under contract modifications are not effective. Second, it provides the basis for a semi-annual Labor Standards Enforcement Report that the CDBG Program must submit to HUD.

6.1 PARTIAL PROJECT UNDER CONTRACT

If the grantee has not contracted out the entire project, this information is communicated to the CDBG Program on the LS-8 so that the grantee will continue to receive WRD modifications for use in other components of the project.

Example: Activity #2. Removal of Architectural Barriers, to include: a) accessibility renovation in the Recreation Center; b) construction of an elevator in the City Hall, and c) accessibility renovation in the City Library. If the City chooses to bid a), b) and c) at separate times, and the CDBG Program is not informed on the initial LS-8 submitted for a), the CDBG Program will stop sending modifications to the City, which could result in wrong WRDs being included in the bids (and later the contract) for b) and c).

7.0 WEEKLY PAYROLL REPORT AND STATEMENT OF COMPLIANCE: LS-4/5

The LS-4/5 consists of two components: the Payroll Report and the Statement Of Compliance. The submission of both the LS-4 and LS-5 is required by language in the Labor Standards Provisions (the 4010), which the contractor has agreed to by signing the contract. Failure to submit the LS-4/5 is a breach of the contract, and thus can be grounds for withholding of funds by the grantee and/or debarment by the Department of Labor. Falsification of the LS-5, Statement of Compliance, is grounds for civil and/or criminal prosecution.

The Appendix includes two example forms. Sample A is correct; Sample B has errors and omissions. Following Sample B there is a list of all of the errors and omissions. Grantees are encouraged to review both examples to familiarize themselves with how a complete and correct LS-4/5 should look, as well as what types of errors and omissions are likely to appear on such reports.

7.1 REQUIRED INFORMATION

The law requires that all of the information on both the LS-4 and LS-5 be provided by the contractor (and sub) to the grantee, which in turn must provide such to the CDBG Program. However, it does not mandate the use of the specific LS-4/5 forms. The grantee should encourage the contractor (and sub) to use the forms, thereby ensuring that all of the information is included. However, a contractor may choose to use its own forms, ***as long as all of the information on the LS-4 and the exact language of the LS-5 is included.*** If a contractor does use different forms, these must include the required information in a manner in which HOUSING staff can easily locate and identify the required components, e.g., each employee's name, address, SSN, the complete job class, standard vs. overtime hours, hourly rate vs. fringes, types of deductions, whether fringe benefits are paid in cash or to an approved plan and any exceptions to the payments of fringes.

7.2 TIMELY SUBMISSION

The LS-4/5 must be submitted by the contractor to the grantee within seven (7) days of the end of each workweek. Work weeks, however, are at the discretion of the contractor and can be any seven days of the week, i.e., Monday through Sunday or Wednesday through Tuesday. HUD's instructions are that the grantee *must* withhold funds from a contractor that is excessively delinquent in the submission of these forms. The CDBG Program interprets the term "excessively" as being more than seven (7) days late. Please note that this applies to LS-4/5's from both the prime contractor and *all* subs.

7.3 SEPARATE FORMS FOR EACH CONTRACTOR AND SUBCONTRACTOR

Each contractor and each and every subcontractor must submit a separate LS-4/5. The subcontractor cannot include its employees on the same form as the contractor. Depending on the terms of the construction contract and as discussed at the pre-construction conference, the subcontractor may submit its LS-4/5 either to the contractor, who then submits it to the grantee, or directly to the grantee. However, the prime contractor is ultimately responsible for submission of its sub's LS-4/5's, and the grantee must deal with the prime, rather than the sub regarding late or incorrect LS 4/5's, as it has a legal relationship (contract) only with the prime and not with any of the subs.

7.4 RECORDS RETENTION BY CONTRACTOR

The record retention period is governed by A.R.S. §35-214 which requires that the contractor and each subcontractor retain copies of the LS-4/5s *and* of all basic payroll records (e.g. payroll register, individual earnings card, canceled checks, etc.) for at least five (5) years after completion of the project. This should be explained to the contractor at the pre-construction conference.

7.5 PRIVACY RIGHTS

In order to protect the personal privacy interests of employees, copies of LS-4's containing the individual's salary, work hours, claimed exemptions and tax status, address and social security number shall **not** be released to outside parties and may be withheld under Exemption 6 of the Freedom of Information Act, unless any identifiers are first deleted. When payrolls are in the possession of state or local governments, the release of any information must be approved by HUD.

8.0 REVIEWING THE PAYROLL REPORT AND STATEMENT OF COMPLIANCE (LS-4/5)

8.1 OVERVIEW

8.1.1 Sequential Numbering

Each Payroll Report must be numbered sequentially, starting with #1 for each contractor or sub. During weeks when no work is undertaken by that contractor no report is required. When work continues, the next Report will then continue the sequence. The last Report must be marked FINAL so that the grantee is aware that all work has been completed and no further Reports will be submitted.

8.1.2 Date of Receipt

The grantee must date stamp the receipt of the LS-4 and LS-5. Date stamping is very important based on the requirement that such Reports must be received within seven (7) days of the end of that workweek, and that HUD recommends withholding funds from a contractor who is late with submittals.

8.1.3 Timely Review

The grantee must examine the LS-4/5 as soon as possible but no later than seven (7) days after receipt. This early review will keep problems from multiplying and allow the grantee to conduct additional interviews (if such appear to be necessary based on the review of the Report) and/or have the contractor make restitution to workers while they are still available (construction workers tend to move from job to job fairly frequently). The person reviewing the LS-4/5 must sign both documents and indicate on both the date that each was reviewed.

8.1.4 Spot-Checking

During the first month that Ls-4/5s are received from each contractor and/or subcontractor, the grantee must ensure that the entire Report is checked. Spot-checking is permissible only after the initial month, and *only* if prior Reports indicate no or very minor errors/problems.

8.1.5 Incomplete LS-4/5s

Except where falsification is suspected, an incomplete LS-4/5 should be returned to the contractor for completion. However, a copy should be retained by the grantee, along with a note indicating omissions and documenting the return to the contractor. A date for completion should be included, normally not more than 7 days after the return.

8.2 DETAILED REVIEW OF THE LS-4

8.2.1 Computations

The grantee must do actual computations during the first month, in addition to checking other items on the LS-4, as discussed below. That is, s/he should actually multiply the hourly rate times the number of hours worked and subtract all of the deductions to determine whether the gross rate of pay is correct.

If the grantee notices minor mathematical errors, s/he should contact the contractor and document such. If every calculation is only a few cents off but there are *many* of them or there is only one error but it is for \$150, the grantee should notify the contractor of this problem by letter, and keep a copy of the letter in the Labor Standards File. A corrected LS-4/5 should be requested and placed in the Labor Standards File when received.

8.2.2 Complete Name, Address, Social Security Number Required

Each employee's full name, address and social security number must be listed the first time s/he appears on the LS-4. Subsequent payrolls need only list the name unless: a) the person changes his/her address, in which case the new address must be listed; or b) there are two employees with the same name, in which case the SSN of each should be listed on each LS-4.

8.2.3 Complete and Appropriate Job Classifications

The job classification listed must be: a) complete (e.g., not just "truck driver" but "Truck Driver - Group 3," or "Laborer - Group 2"); and b) appropriate to that project (e.g., a street paving project would be unlikely to have an electrician). The classification should correspond to the job classifications either as discussed with the contractor during the pre-construction conference and/or as identified by the town engineer, architect, etc. Further, there should not be a disproportionate number of laborers to mechanics, particularly not in the Group 1 category.

8.2.4 Reasonable Number of Employees

The number of employees should appear reasonable based on the type and progress of work. This decision should be made in consultation with the engineer, architect or public works director if the LS monitor is not familiar with construction practices. Further, the grantee must ensure that someone drives by the site or views it during interviews or on site monitoring frequently enough that s/he would be aware of potentially suspicious information on the Report.

8.2.5 Workers in More Than One Classification

Workers who work in more than one job classification should be listed within each separate classification by number of hours worked and pay received. The employer must pay the employee the rate in the WRD for the hours worked in each job class unless it chooses to pay the employee at the higher of the wage rates for the entire time employed. The employer cannot pay the employee at the lesser of the rates for the two classifications.

8.2.6 Wages and Fringes "No Less Than" Amount Stated

The wages and fringe benefits must be "no less than" the amount stated in the WRD for the specific job classification in that correct geographical area. Wages are paid on the basis of the job classification regardless of the person's skill or any contract between the employer and the employee.

8.2.7 Cash Fringe Benefits

If fringe benefits are paid in cash, the LS-4 should indicate such with a line or slash between the hourly rate and the amount of fringe benefits shown in the box for the hourly rate.

NOTE: A detailed discussion of fringe benefits is in Section 9.

8.2.8 Self-Employed Owners

If the worker is a "self-employed owner," the grantee must check that information against the LS-2 or LS-3 where the person must be listed on the LS-2 or LS-3 as an owner, partner or principal. The owner must also be able to document that the business is bona fide with a tax ID number (personal SSN is **not** acceptable), license, liability insurance or a subcontractors bond. A subcontractor who cannot document that the business is bona fide must be listed as an employee on the prime contractor's Payroll Report, LS-4. The "self employed owner" must still list his/her work classification and hours worked. However, instead of listing the hourly pay and fringes, the person should write "self employed owner."

8.2.9 Relatives

Relatives of the owner are not exempt from Davis-Bacon prevailing wages, unless they are listed on the LS-2 or LS-3 as actual owners, partners or principals of the company. If their names do not appear on the LS-2/3, they must be paid DB wages. If a contractor/sub submits a revised LS-2/3 showing a relative as an owner, partner or principal *after* the grantee has identified this issue as a result of an LS-4/5 desk monitoring, the contractor or sub must submit additional documentation, such as Articles of Incorporation or other legal papers, or at a minimum a notarized statement with the "warning" (see Part 8 of the LS-2/3) clearly included. Further, the effective date of the change in ownership must precede the dates of work on the LS-4, i.e., there can be no retroactive change in ownership. Thus, if the contractor/sub adds a person as a partner, principal or officer, the waiver from payment of DB is only effective for workweeks *after* the legal change.

8.2.10 Apprentices, Trainees, Summer Youth or Step-Up Enrollees

If a Payroll Report indicates that persons are either apprentices, trainees, summer youth or enrolled in a Step-Up Program, documentation of registration in that specific program must be attached to the initial LS-4/5 for that person.

- **Apprentice**

If the person is listed as an apprentice, three (3) conditions must be met:

- The contractor/subcontractor must provide written evidence of program registration with DOL Employment Training Administration, Bureau of Apprentices and Training (BAT) or a state apprenticeship agency.
- As stated above, the registration of the individual apprentice(s) must be attached to the initial LS-4/5 on which that apprentice(s) is (are) listed, unless the person is in his/her first 90 days of probationary employment and has been certified by the BAT or the state apprenticeship agency.
- The ratio of apprentices to journey level workers must be as required in that classification, and the wage rate paid to the apprentices must be as stated in the registered apprenticeship program.

- **Summer Youth**

The Summer Youth Program requirements are: the person must be a bona fide student; employed only on a temporary basis during the summer; there must be "competent supervision"; and a 4:1 youth to supervisor ratio.

- **Step-Up Program**

The Step-Up Program focuses on providing a form of apprenticeship to low-moderate income persons in projects funded by HUD. If a construction contractor or employee indicates that a Step-Up Program is part of the CDBG funded construction project, the grantee should immediately contact the CDBG Program for guidance.

8.2.11 On Site Non-Construction/Non-Hands on Employees

Most projects use some non-construction/non hands-on employees such as:

- superintendents
- inspectors
- engineers
- watch persons
- water carriers
- messengers
- clerical workers
- working foremen

These employees are *exempt* from DB and are *not* shown on the LS-4. However, if any of these employees do perform hands on construction work for more than 20% of his/her time, they must be paid the proper wage and listed on the LS-4.

8.2.12 Overtime Pay and Fringe Benefits

Overtime (OT) must be paid at not less than one and one-half (1 1/2) times the basic hourly rate for all hours worked over 40 in any single workweek. Fringe benefits for overtime, however, are paid at the normal hourly rate.

If an employee works over 40 hours during a workweek but not all of it is on the DB job, the employee **MUST** be paid 1 1/2 times the hourly rate after that 40th hour. However, the hourly rate is determined by which job the employee is working on at the time of the 40th hour. If the specific job on which the employee worked during the 40th hour cannot be determined, the employee is paid at 1 1/2 times the average of the DB and non-DB hourly rate. It should be noted that whenever an employee works part of a workweek on a LS job, the provisions of CWHSSA (which requires overtime pay) become applicable.

8.2.13 Reasonable Hours

The hours worked must appear reasonable. That is, there should be no "odd" hours such as 3.4 per day, which might indicate a "contracted" employee, or "piece-meal work," or very few hours relative to the amount of work being done. The grantee must ensure that someone frequently visits the site during interviews, so that staff will be aware of suspicious hours shown on the payroll.

8.2.14 Permissible Deductions vs. Fringe Benefits

The grantee should note that deductions and fringe benefits are totally different items, even though the amount of the fringe benefit, if paid into an approved plan, is "deducted" from the employee's actual weekly pay. Deductions are voluntary and are subtracted from the *hourly rate*, while fringe benefits are in *addition to* the hourly rate and are either provided directly to the employee at the end of each workweek (conceptually to enable that person to purchase his/her own benefit plan) or paid by the employee into an approved fringe benefit plan.

8.2.15 Deductions

All deductions must be permissible. These automatically include FICA and state and federal taxes. They may also include court ordered payments, such as for child support. However, if such are shown, the initial LS-4/5 on which they appear *must* be accompanied by documentation of their legality. The grantee should periodically compute the amount of FICA and taxes to ensure that the amount is reasonable.

Permissible voluntary deductions can include documented items such as medical, dental, retirement, pensions, life insurance, etc.

All such deductions must meet a four-part test in that they must:

- be in the interest of the employee;
- not be a condition of employment;
- result in no direct or indirect financial benefit accruing to the employer; and
- not be otherwise forbidden by law.

Grantees shall require their contractors and subcontractors to verify all voluntary deductions by employees with an LS-15, Authorization for Voluntary Deductions, a copy of which appears in the Appendix. The LS-15 must be signed by each employee and is necessary to verify compliance with the Copeland Anti-Kick Back Law. The LS-15 must accompany the initial LS-4/5 on which the deduction appears. The date on the LS-15 should indicate signature *before* the deduction is made. However, if for some reason the LS-15 is not signed until after some deductions are made, the employee must indicate the initial date these deductions were authorized. There must also be clear evidence that they are "voluntary." The LS-15 must be signed by *both* the employee and the employer or a designated representative.

If there are any changes in deductions, a new LS-15 must be submitted with a notation as to the effective date of the change.

8.3 DETAILED REVIEW OF THE LS-5

8.3.1 Deductions

The LS-5 must list all deductions. All employers must withhold at least FICA and federal and state withholding taxes for which normally no backup documentation is required. All other deductions shown on the LS-4 must also be listed and documented via court orders, similar paperwork, or an LS-15.

8.3.2 Fringe Benefits

The LS-5 must indicate whether fringe benefits are paid in cash or to an approved fringe benefit plan. If in cash, the amounts must appear on the LS-4 as monies paid to the employee.

If the LS-5 states that the fringes are paid to an approved plan, the contractor must: a) provide documentation of an approved plan to the grantee prior to the beginning of construction (using the LS-17); and b) provide the LS-15, Authorization for Deductions along with the initial LS-4 on which the specific employee(s) name appears. Prior to the start of construction but no later than the submission of the initial LS-4/5, the grantee must verify the fringe benefit plan using the LS-14 and submit such to the CDBG Program (see also Section 9). Until a plan is approved, as evidenced by the completion of an LS-14, and accepted by the CDBG Program, the contractor *must* pay fringe benefits in cash.

If there are any exceptions to the method of payment of fringe benefits, these must be described. For example, the required fringe benefits are \$2.52/hour. The approved plan only costs \$2.00/hour. Thus, the cash paid is \$.52/hour and would be explained under "exceptions." Or, a union plan might cover only certain work classifications. Thus, some employees would have fringes paid into a union approved plan and others in cash.

8.3.3 Authorized Signature

The LS-5 must be signed and dated by the contractor/sub *after* the end of the payroll period or workweek. It must also be signed in *ink* by the owner or officer, as shown in the Contractor's or Sub's Certifications (LS-2 or LS-3), or by an employee designated in writing by the owner/officer as authorized to sign the SOC. This authorizing letter must also be signed in ink. The grantee should retain the original signed LS-5 and mail a copy to the CDBG Program. If a grantee believes that an LS-5, Statement of Compliance has been falsified, it should notify the CDBG Program *immediately*.

9.0 FRINGE BENEFITS

The issue of fringe benefits *must* be discussed at the pre-construction conference. If fringe benefits are not paid in cash, the prime contractor must be aware that until a fringe benefit plan is approved by the grantee (as documented by the LS-14), all fringe benefits must be paid in cash to each employee. Therefore, the contractor should be encouraged to submit information about its fringe benefit plan, or that of any subcontractor, *before* construction starts.

The grantee must document the validity of the fringe benefit plan following the steps below. If the plan or portions of the plan cannot be documented as allowable, the contractor or sub must pay fringe benefits or a portion of such in cash.

9.1 FRINGE BENEFIT PAYMENTS

A contractor may *not* take credit for any benefit required by law, such as Social Security or Worker's Compensation Insurance.

9.1.1 Cash and Plan Combination

A contractor may offset monetary wages paid in excess of the minimum prevailing wage required by the WRD to satisfy a fringe benefit obligation.

Example: the WRD determination states that the hourly rate is \$13.00 with a \$3.00 FB. The contractor has four choices. It can pay 1) a total of \$16.00 in cash; 2) \$13.00 in cash and \$3.00 to an approved FB plan; 3) \$14.00 in cash and \$2.00 to an approved FB plan; or 4) \$12.00 in cash and \$4.00 in an approved fringe benefit plan.

9.1.2 Computing Hourly Fringe Benefit Equivalents

If a contractor/employer contributes to a hospitalization plan on a weekly basis, the *total* hours worked (DBRA covered and non covered) each week by each employee should be divided into the contribution made by the employer on behalf of each employee to determine the hourly cash equivalent. If contributions are made on a bi-weekly basis, cash equivalents are computed on a bi-weekly basis, and if made quarterly, they would be computed on a quarterly basis.

Example: the annual cost of a pension plan is \$15,000. The total actual working hours for the employee are 1,500 (both covered and non-covered). Thus, the cash equivalent paid into the FB plan is \$1.00 for each hour worked. As construction workers often do not work a full year, and payments to a pension plan may be made in advance of the year, the total hours worked the prior year can be considered as representative and that amount considered as a contribution to the fringe benefit plan. The contractor can only take credit for the \$1.00 for each DB hour worked. Thus, if an employee worked 40 hours during a given work week, with 20 being DB covered and 20 uncovered, the employer can only count \$20.00 toward the DB required FB.

9.2 REQUIRED FORMS

There are three forms that relate to fringe benefits:

- LS-14, which describes the steps the grantee has taken to document an acceptable fringe benefit plan;

- LS-15, which authorizes deductions from an employee's pay for fringe benefits to be paid into an approved plan; and
- LS-17, which each contractor or sub must complete if it contributes to a fringe benefit plan.

All three forms must accompany the LS-4/5 on which the initial fringe payment is noted for each employee. Thus, if an employee's name did not appear on a prior LS-4, and the fringe benefits are paid into a plan, the initial LS-4 on which *that* employee appears must be accompanied by an LS-15 signed by the employee.

9.2.1 Fringe Benefit Plan Verification, LS-14

Based on the information provided by the contractor/sub on the LS-17, the grantee must document verification of the fringe benefit plan (using the LS-14) by:

- calling the company listed and verifying that the contractor *is* paying into the fund and is *current* with his/her payments; OR
- requesting a copy of the most recent remittance statement from the company, which will verify the employees covered by the plan and the amount paid into the plan by the contractor for each employee; OR
- calling the local union and verifying that the contractor is a signatory to the Trust Fund Account.

NOTE: The grantee must compare the amount paid per employee on the remittance statement to the amount of fringe benefits required by the Wage Rate Determination. If the remittance statement indicates an amount less than the prevailing fringe, the contractor must be notified in writing to pay the rest in cash to the employee.

9.2.2 Authorized Deductions, LS-15

The contractor must provide form LS-15 "Authorization for Deductions," signed by each employee covered by the fringe benefit plan. The LS-15 must also be provided to the CDBG Program along with the first LS-4.

<h2>9.3 OTHER CONDITIONS</h2>

Grantees must keep in mind that payments to approved plans must also meet the following conditions:

- they must be made at least quarterly;
- they must be paid for straight time *and* overtime; however, the benefits are NOT included when computing the overtime rate (i.e., they are not paid at 1.5 times the normal amount);
- vacation and sick leave plans are generally considered "unfunded" and are paid from the contractor's own account.

9.4 FUNDED AND UNFUNDED FRINGE BENEFIT PLANS

A **funded** fringe benefit plan provides bona fide fringe benefits, which are paid by the contractor into a fund, plan or program, and overseen by a third party on behalf of the employee. A contractor may take credit for such contributions as meeting all or part of the prevailing wage required fringe benefit without requesting approval from Department of Labor. In plain language, such a plan provides a guarantee that the funds are available for the employee when needed. Typical plans are for health, dental or pensions but they can include other benefits common to the construction industry.

An **unfunded** plan is one in which the funds are generally *not* administered by a third party, and thus a review is required by DOL. DOL may approve them on a case-by-case basis to determine if it is a bona fide plan. This type of plan tends to provide unconventional types of benefits. As there is no third party administration, the benefits are not as secure as those placed into a funded plan. A contractor *cannot* take credit for contributions to an unfunded plan before receiving approval from CDBG, HUD, and DOL. For a contractor to obtain credit for an unfunded plan, it is recommended that the funds be placed in an escrow account that is legally enforceable. Documentation must be provided to the CDBG Program, which shall then attempt to obtain DOL approval.

9.5 ELIGIBILITY STANDARDS FOR FRINGE BENEFIT PLAN PARTICIPATION

Eligibility standards are permissible in an otherwise bona fide plan. However, an employee who is excluded from a specific plan (e.g. a 3 month waiting period for health insurance) must be paid fringe benefits in cash, even if the company participates in an approved plan. Also, if an employee is excluded from a union plan for some reason, that employee must be paid fringe benefits in cash, even if the employer must contribute to the plan on behalf of that employee by the terms of the union contract.

9.6. PENSIONS AND PROFIT SHARING PLANS

For a plan to meet the WRD fringe benefit, the contributions must be irrevocably made to a trustee or a third party, and the trustees must assume the usual fiduciary responsibilities imposed by law. However, the contractor may be a trustee of the plan.

As a general rule, contributions to profit sharing plans providing pension benefits may not be creditable toward meeting the WRD fringe benefit requirement because of the uncertainty or discretionary nature of the contribution provisions of the plan. As such plans are only operative if there is a profit, there is no guarantee that a contribution on behalf of the employee will be made at all, let alone quarterly, as required. However, contributions to such plans can be counted toward the WRD requirement if the contribution is irrevocably placed in an escrow account at least quarterly.

For a defined contribution pension plan that provides for a higher hourly rate of contributions to be made for DBRA workers than for non covered work, the higher rate paid for DBRA work will be fully credited to the plan only if the plan provides for immediate participation and immediate (or almost immediate) vesting. If a plan does not provide for immediate vesting, DB contributions to the plan must be paid in the same amount as contributions made by the employer for all non-covered hours during the year. Example: a contractor's contribution to the pension benefit is \$2,000 a year for a specific employee who worked 1,500 hours on non-covered jobs and 500 hours on this DBRA covered job. Thus only \$500 can be creditable toward the WRD fringe requirement.

9.7 VACATION, SICK LEAVE AND HOLIDAY PAY PLANS

DOL considers most of these unfunded and an unfunded plan must meet a four-part test:

- the plan can reasonably be anticipated to provide allowable benefits as per DB;
- it represents a commitment that can be legally enforced;
- it is carried out under a financially responsible plan or program; and
- it has been communicated in writing to the affected employees.

If an unfunded plan does not meet these requirements, the firm will usually be required to establish an escrow account.

If the employee terminates prior to becoming eligible under the vacation, sick leave or holiday pay plans, the amounts credited toward the WRD requirement must be paid to the person.

The credit toward the WRD fringe benefit requirement would be computed on the basis of the total amount contributed by the employer divided by the total number of hours worked per year, which determines the cost per hour worked. The creditable amount toward the fringe benefit would be the cost per hour times the number of DBRA worked hours.

If an employee works any part of a week in which a holiday occurs and was hired prior to the holiday, the employee must receive the entire holiday pay benefit, unless the WRD states otherwise. In many cases the plan requires the employee to work the day before and the day after a holiday to be paid. If it can be shown that the employer arbitrarily lays off employees the day before and/or the day after the holiday to avoid payment of the holiday fringe benefit, back wages should be computed for failure to pay the fringe benefits. The same principal applies if it can be shown that the employer transfers employees to non-DBRA covered jobs during a week in which holiday pay is due to avoid such payment.

9.8 CREDITING APPRENTICE TRAINING COSTS

Costs incurred by a contractor or sub for a bona fide apprenticeship program that is registered with the Bureau of Apprenticeship and Training or a state apprenticeship agency, are creditable under DBRA but only for the actual training costs, i.e., books, tools, materials and instruction. The costs incurred for apprenticeship training for one job class cannot be used to offset the costs of another program, i.e., a contractor cannot claim credit for apprenticeship training costs incurred for electricians to satisfy the applicable WRD benefit requirements for carpenters.

9.9 ADMINISTRATIVE EXPENSES

The administrative costs incurred by a contractor or sub in connection with the administration of a bona fide plans are *not* creditable towards the WRD amounts. For example, a contractor cannot take credit for the cost of an office employee who fills out medical insurance claim forms to submit to the insurance carriers.

10.0 EMPLOYEE INTERVIEWS AND ON SITE INSPECTIONS

10.1 EMPLOYEE INTERVIEWS

The purpose of conducting employee interviews is to determine if the contractor is adhering to the various labor standards provisions. Although a review of LS-4/5s provides one piece of evidence of labor standards compliance, interviews with the employees are a necessary component of compliance documentation. Interviews are frequently the only way that a grantee will become aware of a violation, as LS-4/5s are prepared by the contractor, whereas employee interviews provide first hand information about contractor compliance. The grantee should budget sufficient resources (i.e., staff time and/or funds to pay a subcontracted entity) to fulfill this task, which will vary greatly depending on the location of the project (thus, the drive time), the length of the project, the number of subs and the variety of job classes.

Construction work by its very nature is rather transitory. Many employees work on a job site for only a few days or weeks. Therefore, conducting the required number of interviews on a regular basis, beginning the initial week of construction, is extremely important. Trying to track down employees later to conduct interviews can be a very time consuming and costly activity.

During the pre-construction conference, the grantee should try to obtain information regarding the number and type of subs that will be on the job, and the timetable/work flow, i.e., which subs will be working during which phases of the job and for how long, which job classes will be on-site during which phases of the project and how long each is likely to take. This will assist the grantee in planning to ensure that sufficient interviews are conducted.

The interviews must also be compared to the LS-4/5s. In most cases the LS-9 and LS-4/5 can provide sufficient documentation that the contractor is in compliance or can become the basis for an investigation regarding alleged non-compliance.

10.1.1 The Interviewer

The person who conducts the interviews should be either the LS monitor or someone designated by the LS monitor. The interviewer should have attended the pre-construction conference and be familiar with the proposed job activities, the types of work classifications likely to be used by the contractor, the WRD and appropriate wages per job classification.

Although more than one person may conduct interviews, the grantee should try to assign this task to a single person for the duration of the project, so that s/he can become familiar with the faces of employees and knowledgeable about the project itself. *Conducting interviews is ultimately the grantee's responsibility* although it may be contracted out to someone such as the project engineer. If so, the contract should clearly outline what is to be done during those interviews, the number of interviews to be conducted, etc. or should include appropriate sections of this handbook. Interviews *cannot* be conducted by the contractor/sub or its employees.

To fulfill the requirements of the interview process the interviewer must have a copy of the WRD readily available *and* be familiar with it and the job classifications to recognize a wage rate stated by the employee that is *less* than the stated rate. Additionally, the interviewer must be knowledgeable about the types of work and different terms used to describe the same job classification. Working with the contractor, engineer, or public works director should help identify the most common job classifications and other terms frequently used to describe those jobs.

The interviewer should be familiar with the questions and consider what type of follow up questions may be appropriate. It may help to conduct a mock interview prior to conducting the initial interview. The interviewer should always carry several stamped, self-addressed envelopes that s/he can provide to employees in instances where follow up information is requested, i.e., copies of pay stubs, more information about hours worked, etc. The interviewer should also always carry some form of identification such as a business card to verify his/her relationship to the project.

10.1.2 Interview Location

Interviews should be conducted on the job site whenever possible, unless such a site does not provide privacy for the interview or there is a health or safety concern. If the grantee has any reason to suspect that the employee will be subject to reprisal as a result of the interview, the interview should be conducted elsewhere. Off site interviews should be noted and explained on the LS-9.

Interviews should always be conducted unannounced and on random days (i.e., not every Tuesday at 10:00 a.m.). However, the grantee should discuss with the contractor/sub, preferably during the pre-construction conference, the most and least convenient times for interviews, so that the actual project is not interrupted unnecessarily.

If the job is complete, and the grantee has failed to conduct the required number of interviews or needs to conduct additional interviews, these may be conducted either by telephone or by mail. Under those circumstances, the grantee should note and explain such on the LS-9.

10.1.3 Who and When to Interview

The grantee must interview *at least 75%* of all employees during the ***first month*** of the job, and then at least *one more time thereafter*. To lend some perspective to these figures, take the following example. There are 50 employees on the job site, thus 38 interviews need to be conducted (which should include various job classes and apprentices as discussed below).

Interviews should include at least one person from each job classification based on information provided at the pre-construction conference, project knowledge and review of payroll reports. Additionally, at least one employee from each subcontractor should be interviewed, if applicable. As a subcontractor may only be on-site for a very brief period, such interviews will need to be carefully coordinated with the prime contractor or conducted off site. All employees listed as apprentices, trainees, or in a Step-Up Program on the LS-4 *must* be interviewed.

If the grantee notices a high rate of turnover or encounters problems or discrepancies between the interviews and the payroll reports, the grantee should increase the number of interviews conducted.

If the grantee does not conduct the number of interviews noted above, the grantee must include a note of explanation in the Labor Standards File.

Example #1: The same four employees are on the job site during the first month and remain so for the duration of the project. There are no or minimal errors on the payroll

reports and no problems are noted as a result of the interviews. The grantee notes this information for the Labor Standards File concluding that there is no need to conduct additional interviews.

Example #2: A painter (job class) was employed on the job for just four hours of one day when grantee staff were not able to be present at the work site. The contractor's other LS-4's have been correct and complete. Thus, no attempt is made to interview the painter by mail or phone. If the grantee cannot present a valid rationale for not conducting the number and type of interviews required or feels that a specific interview is important, it should conduct such by telephone, mail or an off-site meeting, even after that employee's work has been completed.

10.1.4 The LS-9, Record of Employee Interviews

NOTE: The LS-9/10's are combined as one form, but the LS-10 does not need to be completed for each interview.

The interview must be conducted using the LS-9 as it appears in the Appendix. Most of the items on the form are self-explanatory. However, please note the following:

10.1.5 Self-Employed Owner

If the contractor has stated that only the self-employed owner(s) will be doing hands-on work on the project, it must still document that these are the only people actually working on site. In order to do so, the grantee must use the LS-9, Employee Interview Record, modified as necessary. In addition to observing the self-employed owner(s) at work and describing the duties, the interviewer must state whom s/he saw working, by name. This requires that the interviewer be familiar with the self-employed owner(s). Such a meeting can take place at the pre-construction conference, or at any other appropriate time prior to the start of construction. If the interviewer sees anyone other than the self-employed owner(s) at work on the job-site, the interviewer must conduct a regular interview.

10.2 ON SITE INSPECTIONS

On site inspections are required to determine whether the three required appropriate notices and posters are posted. These are: Wage Rate Determination, Notice to Employees, and an EEO Non-Discrimination poster.

10.2.1 The LS-10, On Site Inspection

The on site inspection must be documented by the grantee using the LS-10. It is the fourth page of the LS-9/10, and a copy of it appears in the Appendix. The form is self-explanatory. In most instances the person who completes this form will be the same person who conducts the interviews.

10.2.2 Frequency and Location

Inspections must be conducted *at least once during the first 30 days and one time thereafter*. If problems are noted, such as lack of required postings, or employees indicating in interviews that they couldn't find the postings, inspections should be increased and reports filed for each. If the location of the job site changes or there are several job sites, each new location should be inspected at least once.

10.2.3 Follow-Up

If the LS-10 indicates that required postings were not posted, or not posted in convenient locations, the grantee's Labor Standards File must document that appropriate actions were taken to rectify the situation, e.g. a letter was sent to the contractor notifying it of this issue. Further, if the Notice to Employees contains the name of a person other than the name, which the grantee provided, the grantee must take swift and immediate action to rectify the situation. It should request in writing that the contractor explain why the name was changed, and indicate whether any complaints were received by the person listed, as well as the status of such complaints and the employees who made them. This letter should also note that the 4010 prohibits retaliatory action against employees for filing complaints and must require the contractor to immediately put up a correct Notice which is later verified.

10.2.4 Notice to Employees, LS-7

This form must be posted on the job site and verified as such on the LS-10. It provides employees with the various federal labor standards compliance requirements, to include minimum wage, any conformances, overtime and apprentices, and must have the name and telephone number of the person employees can contact if they have a problem. That name *cannot* be that of the employer or any person associated with or employed by the contractor. It must be the grantee or someone designated by the grantee (engineer/inspector) who is easily accessible to employees with problems, complaints, etc., and who has no conflict of interest with the contractor.

11.0 VIOLATIONS AND COMPLAINTS

Grantees are responsible for constant labor standards compliance monitoring of the contractor and subcontractors. In the course of such monitoring, the grantee may identify possible violations. These must then be investigated to determine if there are violations, and if so, the violations must be resolved. Labor standards investigations require **prompt action** and **documentation**. It is important to remember that there is a distinction between an *investigation*, which is based on a specific allegation of wrongdoing and an *inspection*, which is a routine check on the practices and procedures of the contractor and subs.

Investigations must be more thorough in order to resolve the allegations. Grantees are required by law to investigate all violations and complaints by employees and others, with complaints a priority. The grantee *must* by law, keep the identity of any complainant confidential unless otherwise permitted by the complainant.

11.1 CONTRACTOR RESPONSIBILITIES

The contractor is responsible for maintaining basic time and payroll records *in addition to* the Weekly Payroll Report, LS-4. Time records (signed by both the employee and employer) include: payroll registers, individual earning cards, and canceled checks. A check that has not been cashed is NOT evidence of payment.

NOTE: The prime contractor is responsible for any violations by subcontractors.

11.2 EMPLOYER/EMPLOYEE DISPUTES

Whenever there is a factual dispute between an employer (contractor) and an employee, the grantee should rely upon the statement of the employee, barring overwhelming evidence to the contrary, since the contractor (and not the employee) agreed to comply with all federal labor standards compliance requirements. For example, if there is a dispute between the contractor and the employee relating to the number of hours worked, and there are *no* time records signed by the employee, the grantee should accept the employee's statement as to number of hours worked, as the contractor agreed to maintain time records.

11.3 COMPLAINTS

Complaints may come to the grantee either through an Employee Interview, or other means, e.g. a worker just walking into or telephoning the town hall to complain, a rumor overheard at a local restaurant, or a local newspaper editorial inveighing against certain alleged violations on the job site. ***Each and every such complaint must be investigated and resolved.***

The grantee must notify the prime contractor and HOUSING in writing, within 5 working days, of any alleged violations, the status of an investigation, or required actions to resolve the violation. The grantee should maintain documentation of such items via certified mail, return receipt requested, or hand-delivery, receipt requested.

11.4 RESTITUTION BY THE CONTRACTOR

Underpayments can be the result of: 1) mathematical errors by the contractor; 2) use of an incorrect hourly wage and/or fringe benefit; 3) use of an incorrect job classification; 4) payments made into an unapproved fringe benefit plan and which must then be paid in cash; or 5) lack of appropriate payments for overtime hours worked.

Restitution is the act of paying to the employee the difference between the amount originally paid and the amount due. If the grantee determines as a result of an investigation that the amount of restitution due is \$10 or more per worker, per payroll period, the grantee must require confirmation of such restitution. This will require the contractor to complete and submit to the grantee documentation in the form of one LS-4/5 for the entire period of the underpayment (see Section 13 for an example). This payroll will show only the amount paid as restitution and applicable deductions. Each employee listed on the LS-4 must then sign directly on the form verifying that s/he has received the amount indicated. The grantee must provide the restitution payroll documents to the CDBG Program within 10 working days of resolution of the investigation.

If the grantee determines as a result of its investigation that the amount of restitution due is under \$10 per worker, per payroll period, no written confirmation of restitution is required by law. However, such confirmation is not prohibited, and the grantee at its discretion may require such.

The grantee must notify the contractor that if the underpayment is not corrected and properly documented within 30 days of the notification, the grantee will withhold funds. DOL regulations governing federal labor standards actually prohibit payments to contractors or subcontractors who have failed to comply with this provision. However, funds can only be withheld in the amount necessary to ensure required payments or the best estimate of such. This notification to the prime contractor must be sent certified mail, return receipt requested or hand delivered, evidence of receipt maintained.

11.5 RESTITUTION BY THE GRANTEE

If a contractor disputes restitution the grantee should notify the CDBG Program. If attempts to resolve the dispute are unsuccessful, the contractor can appeal the restitution issue to the HUD Labor Relations staff and then to the Department of Labor.

If the contractor refuses to make the appropriate restitution after a second written notification, the grantee must pay the employee directly from the withheld funds and document this payment via a letter to the person and a canceled check. The letter should be addressed to each worker at the last known address, and should request a current address and Social Security number so that arrangements may be made for the payment of additional wages due. Upon receipt of a reply, the social security number should be checked against the LS-4, if available.

The net amount due the employee is the gross amount minus deductions for federal income withholding tax and the employee's share of the social security tax (FICA). Other itemized deductions which may be applicable (state and/or city) should also be computed prior to determining the net due and should be remitted to such agencies. The grantee should prepare a Form W-2 for the employee. The check should be mailed to the employee, together with the employee's copy of the Form W-2, registered or certified mail, return receipt requested.

Upon receiving a receipt, a check payable to IRS for the total of the amount of withholding from the employee who has received payment should be prepared. A tax return, Employer's Quarterly Federal Tax Return, should be prepared and forwarded with the check. In the transmittal letter to IRS the following statement should be included:

"ONE TIME RETURN. This return covers only the taxes withheld from wages due employees engaged in the construction of (identify project). The wages were paid out of funds withheld from the contractor to assure payment of the wages. This return does not include the employer portion of FICA tax."

If the amount of restitution is relatively small (defined by CDBG as under \$100), the gross amount may be provided to the employee, with a statement that:

"No state or federal taxes have been withheld from this payment. It is your responsibility to report the full amount of these funds as earned income to the IRS."

If the grantee cannot locate the employee to whom restitution is due, the grantee must hold those funds in a special account for three (3) years, during which time it should make additional attempts to locate the employee. At the end of the three years, it must return those funds to the CDBG Program.

11.6 OVERTIME VIOLATIONS AND PENALTIES

In addition to restitution due as a result of incorrect overtime payments the contractor can also be assessed liquidated damages (a penalty) in the amount of \$10 per day per worker for each day overtime payments were not correct, if the construction contract is over \$100,000 and thus subject to CWHSSA. The grantee must notify the CDBG Program of any overtime violations using forms LS-11 and LS-12. The CDBG Program then notifies HUD Labor Relations, which sends a Notice of Intent to Assess Liquidated Damages to the contractor. The contractor has 30 days in which to respond. The response can indicate that such violations were inadvertent or that the grantee was wrong in its investigation. HUD makes the final decision as to whether the contractor shall be assessed liquidated damages.

11.7 SANCTIONS

Any violation of the Federal Labor Standards Provisions including an incomplete or late payroll, or a willful underpayment, is technically a breach of contract and can result in termination of the contract. Although grantees rarely terminate contracts for other than willful violations, there are specific sanctions for violations, which form the basis for the Federal Labor Standards Provisions:

Davis Bacon Act violations can result in payment suspension by the grantee until the violation is discontinued or compensation is made. Continued or willful violations can result in debarment. Debarment is defined as becoming ineligible to receive any federally assisted contracts. It is imposed on the basis of evidence of aggravated or willful violations. The process for debarment is as follows: the grantee may recommend debarment to the CDBG Program; the CDBG Program may choose to recommend to HUD; the HUD Labor Relations Field Office may choose to recommend to DOL; and DOL has the sole authority to impose debarment on a national level, for a period of up to three years.

CWHSSA violations can result in liability for unpaid wages and liquidated damages. Intentional violations are a federal misdemeanor, which is punishable by a fine of up to \$1,000 or imprisonment for up to 6 months or both.

Copeland Anti-Kickback Act violations can result in criminal prosecution by federal authorities, which can result in a fine of up to \$5,000, imprisonment of up to 2 years or both.

11.8 INVESTIGATIVE AND ENFORCEMENT REPORTS, LS-11 AND LS-12

An LS-11, Investigative Report, must be completed by the grantee any time an investigation is conducted and must be mailed to the CDBG Program within 30 days of the completion of the investigation. A copy of the LS-11 can be found in the Appendix.

An LS-12, Enforcement Report must be completed by the grantee any time the investigation proves there were underpayments of \$1,000 or more or that the violations were willful or aggravated. A copy of that report, along with the LS-11 and LS-4 (for restitution) if applicable, must be sent to the CDBG Program in addition to being maintained in the labor standards file.

11.9 CONDUCTING AN INVESTIGATION

- Check the construction contract to ensure that it includes the required documents, i.e., the 4010, signature and name on the Contractor's Certifications, the wage rate determination, etc.
- Review the LS-6, Pre-Construction Conference Report to determine who attended the conference, what topics were covered, what questions, if any, were raised, and the responses to those questions.
- Review the LS-4/5s, Weekly Payroll Reports/SOCs to see if the name (if a complainant) appears or a pattern is indicated.
- Review the LS-9s/10s, Employee Interviews and On-Site Inspection Reports to see if a pattern appears that was previously missed.
- Conduct more employee interviews, if appropriate, to include some off-job site interviews, or telephone or mail interviews.
- Ensure the confidentiality of all complaints and/or persons interviewed.
- If appropriate to the specific investigation, notify the contractor, in writing, that you wish to review basic payroll and personnel records. Ensure that this is done in a manner so as not to reveal the complainant's name or identity, unless the person authorized such. Review these items and make copies if appropriate.
- Review documentation for apprentices, trainees, summer youth, Step-Up enrollees, in light of the complaint or alleged violation to ensure it is accurate and legitimate (a date or name has not been deleted or inserted that could have been overlooked when first desk monitored).
- Meet with the contractor and subs, if appropriate, to discuss your findings and attempt to determine whether the violations/complaints are accurate. Provide the contractor with every opportunity to refute your findings with objective documentation.
- Notify the contractor in writing of your findings and outline actions to be taken with a time line for such. If payment is being withheld pending the results of the investigation, the communication should specify this and cite the authority for the action.
- Prepare a report of the investigation and resolution using forms LS-11 and LS-12.

11.10 EXAMPLES OF VIOLATIONS, INVESTIGATIONS AND RESOLUTIONS

	Violation	Investigation	Resolution
1.	Incomplete/incorrect LS-4/5	Noticed during LS-4 review; telephone call made and documented. (Inspection – no investigation needed.)	Correct or complete LS-4/5 submitted by contractor; no further similar actions.
2.	Numerous incomplete/incorrect LS-4/5s	Noticed during LS-4 review; telephone calls made and documented; no response; daily drive by inspections to determine work in progress; all employees interviewed.	Contractor does not submit corrected LS-4/5; next LS-4/5 have same errors; contractor notified that payments will be withheld; LS-11 and LS-12 submitted based on willful violations.
3.	Apprentice/Trainee on LS-4; no documentation	Person interviewed (LS-9) to determine status; letter sent to contractor; BAT contacted; no evidence of apprenticeship program.	LS-4/5 submitted showing restitution to employee for full prevailing rate for job class.
4.	LS-4/5 indicates fringe benefits paid to a plan but no LS-14 or LS-15 submitted.	Contractor contacted and asked to submit LS-14 and LS-15.	LS-4/5 submitted showing restitution to employees for fringe benefits now paid in cash.
5.	Consistently Late or no LS-4/5s.	Contact prime to determine if work in progress.	LS-4/5s submitted and agreement that future payroll documents will be timely or withholding of funds; LS-11 completed.
6.	During interview, employee states overtime worked but not paid.	Review LS-4; written request to contractor to submit actual time records.	Time cards document no overtime; LS-11 completed and employee informed of finding.
7.	During interview employee says others have worked on the job but were not paid DB wages.	Review LS-4/5s; conduct more interviews; drive by site frequently; request personnel and time records and discuss situation with the contractor.	If claim is substantiated, corrected LS-4/5s and LS-11 and LS-12 submitted.
8.	Employee calls grantee and says workers are made to “kick back” pay.	Review LS-4/5s for deductions; written request to contractor for personnel records; contact all employees on job and those employed during prior 3 months.	If claim substantiated, restitution LS-4/5 submitted along with LS-11 and LS-12.

12.0 MISCELLANEOUS

12.1 VOLUNTEERS/DONATED LABOR

As a result of the passage of the National Affordable HOUSING Act of 1990, volunteers may be used on CDBG assisted projects, not subject to DBRA requirements, under the conditions as outlined below. Regulations published in the April 22, 1992 Federal Register and effective May 22, 1992 provide additional guidance on the use of volunteers. These regulations clearly indicate that although certain steps must be taken and information submitted to HUD, "... a determination.... shall not be construed in any way as limiting the use of bona fide volunteers on HUD-assisted construction, but rather is required to ensure that the Department performs its appropriate responsibilities under...DOL Regulations...."

See Section 13 Appendix for sample Volunteer/Labor plan.

NOTE: Although volunteers are exempt from prevailing wage requirements, the project still remains a DB covered project. Thus, certain record keeping requirements continue to pertain to the project. The volunteers however, are allowed to be exempted from these requirements. Thus, the same project may use both volunteers and DBRA covered construction contract employees.

12.1.1 Definition

A volunteer is an individual who performs services for a public or private entity on a HUD assisted project which is subject to prevailing wage requirements, for civic, charitable or humanitarian reasons without promise, expectation or receipt of compensation for services. An individual shall be considered a volunteer if s/he offers her/his services freely and without any pressure and coercion, direct or implied from an employer; and *is not otherwise employed* at any time in the construction or maintenance work on the project for which s/he volunteers.

12.1.2 HUD Approval

HUD approval is required for all projects on which volunteers will be used and in which volunteers will be paid expenses, reasonable benefits or nominal fees or in which there will be a mix of volunteer and paid construction workers. In these instances, if the CDBG Program approves the grantee's Volunteer Plan, it will submit it to HUD, which must make a determination as to its allowability and issue a response\written waiver within 10 days of receipt of the plan.

HUD approval is NOT required for a project on which volunteer labor will be used if all the work will be done by volunteers, there are no paid construction employees and no volunteers will receive any monies for expenses, reasonable benefits or nominal fees. In this case, however, the CDBG Program shall collect the information indicated above, and provide a copy to HUD.

12.1.3 CDBG Program Approval

A written plan must be submitted to the CDBG Program prior to initiating the use of the volunteer(s). The plan must address the following items:

1. The nature of the volunteers and how they were recruited, e.g., members of a local civic group, organization or union recruited by that group; persons who will benefit

from the facility such as local senior citizens recruited as part of the public hearing process; local residents recruited through newspaper stories about the project, etc.

2. Estimated number of volunteers to be used.
3. An estimate of total work hours the volunteers will perform.
4. The type of work that the volunteers will perform.
5. A description of any "expenses" that may be incurred by volunteers; whether all volunteers will receive reimbursement, and if not, how reimbursement will be determined; the amounts per person, and the source of funds for such.
6. A description of any "reasonable benefits" to be provided to the volunteers; whether all volunteers will receive such and if not, how those to receive benefits will be selected; the amounts per person, and the source of funds.
7. A description of any "nominal fee(s)" to be paid to the volunteers; whether all volunteers will receive such and if not, how those receiving nominal fees will be selected; the amounts per volunteer, and the source of funds for such.
8. A description of how liability issues relating to the volunteers will be addressed.
9. A description of how the volunteers will be supervised, at *all times*.
10. The relationship of the volunteers to any construction contractors and their employees, and how communications with any contractors or local government employees on the same CDBG assisted project will be ensured. Note that this is *not* prohibited nor does it in any way negatively impact on approval of this plan.
11. The responsibility for record keeping (as described below) and a copy of the volunteer's time sheet to be used.
12. An estimate of the amount of funds that will be saved through use of volunteers rather than construction company employees based on DB wages. (This is required to ensure that the statutory prescribed purpose of lowering construction costs is fulfilled by passing savings from the use of volunteers on to the sponsor or other body or agency rather than a windfall profit to a contractor or sub.)
13. The name and address of the agency sponsoring the project, i.e., the local government AND any subrecipient, if applicable.
14. A brief description of the project.
15. The location of the project.

12.1.4 Expenses, Reasonable Benefits or Nominal Fees

A volunteer may receive such without losing her/his status as a volunteer but *only* after HUD has made a determination, on a case-by-case basis, after examining the total amount of payments made in the context of the economic realities of the particular situation.

- A payment for an expense may be in the form of: a uniform allowance, reimbursement for reasonable cleaning expenses or wear and tear on personal

clothing wore while performing the volunteer work; or approximate out of pocket expenses for meals and transportation.

- A reasonable benefit can include volunteer(s) in group plans for liability, health, life and disability insurance, workers' compensation or pension plans or length of service awards.
- A nominal fee is *not* a substitute for compensation *and must not be tied to productivity*. It will be determined on a case-by-case basis based on economic realities, i.e., the amount of the fee must be judged in the context of what paid workers doing the same work would earn, e.g., a payment for basic necessities to a homeless volunteer which is an insignificant amount when compared with real wages.

12.1.5 Record keeping

Since the project is considered to be a DBRA covered project even though using volunteers, accurate records must be maintained. These include, at a minimum an LS-16 form and time records. An LS-16 must be completed by each volunteer to certify that s/he:

- is *not* otherwise employed at any time in the construction work for the CDBG assisted project by the contractor or any subcontractor authorized to work on this project (the grantee must also attest to this statement); and
- will receive either no funds for expenses, benefits or compensation, reasonable benefits, or a nominal fee; and
- signs the form without any pressure or coercion, direct or implied.

The grantee must ensure that time records are maintained for all volunteers on a form that indicates:

- the name of the person working;
- the days and hours worked; and
- the nature of the work performed, e.g., landscaper, painter etc.

NOTE: Grantees may use the LS-4 form and cross out the non-applicable portions or may create their own form.

12.2 CONVICT/OFFENDER LABOR

A grantee may use convict labor on a CDBG-funded project and *not* pay Davis Bacon wages *only* if the convicts qualify as: a) an extension of force account; or b) volunteers. In both instances, there must be written documentation to support the grantee's written request to the CDBG Program for a waiver.

12.2.1 Force Account Exemption

There must be a written agreement or memorandum of understanding between the two governmental entities (e.g., grantee and the Arizona Department of Corrections; grantee and the Sheriff's Office, etc.). The Volunteer Labor Plan in the Appendix may be modified and used as a memorandum of understanding.

NOTE: There can be *no* CDBG funding of any written "arrangement" with a private party.

The convicts *must* work under the supervision of the grantee or another unit of local government, thus making them an extension of "force account;" or the same conditions apply as would to "force account" employed on a CDBG-funded project. There must be a record of those working, hours worked, project name and location, and if the convicts/offenders are to be paid with CDBG funds (vs. just working a CDBG-funded project), actual time records signed by the convict/offender and supervisor.

12.2.2 Volunteer Exemption

Convicts/Offenders are *not* considered volunteers for the purpose of these exemption provisions based solely on their status as inmates. Inmates may apply for participation privileges and volunteer status in a program modeled after the Federal Short Term Community Based Projects or indicate community services as their sentence of choice.

The same conditions applicable to volunteers also apply to convicts/offenders (see Section 12.1). Thus, a volunteer plan, individual LS-16s and time records must be kept.

12.2.3 CDBG Program Approval

A grantee must notify the CDBG Program *in writing prior* to the initiation of the project or the signing of any documents relating to the use of such labor. This written notification must: describe the overall scope of the project; verify that no contractors will be employed on the project; include a copy of the draft agreement with the other unit of government to include all of the information indicated under Section 12.2.1, and provide all of the information applicable under Section 12.1. The CDBG Program will then forward such items to HUD for concurrence.

12.2.4 LS-16 Required

If convict/offender labor qualifies as volunteer labor, the LS-16 should be completed the same as for volunteers. If inmates do not want to sign the LS-16 or if the authority feels it is a violation of confidentiality, the grantee must obtain the following information from the institution that oversees the offenders:

- a copy of the statutory reference or policy which would prohibit this information from being provided or that would allow an inmate to refuse to sign such a form due to confidentiality;
- a letter to the grantee explaining the situation;
- a notarized statement that each inmate has signed an LS-16 which is on file in the institution and the specific location identified;
- a list with other identifiers (vs. names) if statute/policy allows such or a reference explaining why such is NOT allowed, along with information about the number of such persons who have signed the forms.

12.3 SITE OF WORK

Whether an employee is covered by LS/DBRA is sometimes related to the definition of the site of the work. This is defined as: the physical place or places where the construction will remain when work has been completed, or adjacent or nearby property used by the contractor or sub in construction which can reasonably be said to be included in the 'site.'

Fabrication plants, mobile factories, batch plants, borrow pits, job headquarters, tool yards etc. are part of the site of the work if they are mainly or exclusively devoted to the project and located

in such proximity to the actual construction that it would be reasonable to include them. However, permanent home offices, branch plants, fabrication plants and tool yards which exist without regard to the particular federally assisted project are not part of the work site, even if they are used exclusively for the contract during the construction period, Fabrication plants, batch plants, borrow pits, headquarters, tool yards, etc. of a commercial supplier or material person that are established by a materials supplier for the project before the opening of bids and are not on the project site, are not included in the "work site" even if for a time the operations are devoted exclusively or nearly so to the performance of work in support of a covered project.

12.4 PRECUTTING PARTS AND PREFABRICATION OF ASSEMBLIES

The precutting of parts and the prefabrication of assemblies are not covered unless they are conducted in connection with and at the site of the project or in a temporary plant set up elsewhere to supply the needs of the project and dedicated exclusively, or nearly so, to the performance of the contract or project.

12.5 EQUIPMENT INSTALLATION

Installation of equipment is exempt from DBRA when it is "incidental" to the amount of construction work. Incidental is defined as: the cost of the labor is no more than 25% of the cost of the equipment. Example: If equipment cost is \$50,000, labor costs could be as much as \$12,500 (25% of \$50,000) to be exempt from DBRA.

HOUSING will apply a multiple test to determine whether such costs are incidental based on the following factors: a) the cost of the equipment compared to the cost of installation; b) a high absolute installation cost; c) the necessity of structural modifications to accommodate the equipment; and d) the necessity to upgrade electrical plumbing or gas lines. Examples: Contracts for the supply and installation of window shades, venetian blinds, traverse rods and draperies involve only an incidental amount of construction work and are not subject to DBRA. However, the installation of an elevator or boiler is.

12.6 CARPET AND DRAPERY INSTALLATION

DBRA does apply when these actions are performed as an integral part of or in conjunction with new construction, alteration or reconstruction, but does not apply if no other construction is contemplated.

12.7 SUPPLY AND INSTALLATION CONTRACTS

DBRA does apply to installation work performed in conjunction with a supply or service contract covered by DBRA. For example, installation of a security system, air conditioning ducts, excavating outside cable trenches, laying cable or installing heavy generators, where a substantial amount of construction work is involved, is covered.

12.8 DEMOLITION

Demolition alone is not subject to DBRA. However, if an existing building is to be demolished so that further construction (that is subject to DBRA) can take place, the demolition is covered also.

12.9 DRILLING

If drilling is only to obtain data to be used in an engineering study or the planning of a project for which no funds have been authorized or appropriated, it is not covered by DBRA. However, if it is part of a public works project, such as a well for a water system, it is subject to DBRA.

12.10 FLAGGERS AND TRAFFIC DIRECTORS

These jobs are covered because their work is integrally related and necessary to other construction activities at the site. However, a traffic service company that rents equipment to the contractor is not covered.

12.11 SURVEY CREWS

Survey crews (i.e. rodman and instrument persons) are covered only when they actually do laborer or mechanic's work, i.e. if they clear brush or other types of manual work.

12.12 TRANSPORTING MATERIALS

Truck drivers hauling materials to, from and on a DBRA covered construction site are covered if they are:

- employees of the prime contractor or sub, but only for the time spent while employed directly upon the site of the work or transporting materials between the actual construction location and a facility which is deemed a part of the site (see Section 12.3);
- employees of an independent trucking firm engaged to haul excavated materials away from a DBRA covered site; or
- truck drivers employed by either an independent trucking firm or by the material person to haul and deliver materials from an operation, plant, or pit that has been opened or installed in the vicinity of the DBRA construction site for the exclusive purpose, or nearly so, of fulfilling the contract material requirement to a job site which is covered by DBRA.

Truck drivers hauling materials to, from and on a DBRA covered construction site are *not* covered by DBRA if they:

- are employees of an independent trucking firm or a material person who delivers materials to a DBRA covered site where the construction materials are purchased from a bona fide material person operating from a facility that has not been set up exclusively to serve a particular DBRA covered project. The material supply source must be off the project site and must generate a substantial amount of sales to the general public, other than the DBRA project; or
- are bona fide owner-operators of trucks who are independent contractors and who use their own equipment to haul material to, from or on a DBRA covered project.

NOTE: "Construction" excludes the transportation of materials or supplies to or from the building or work by employees of the construction contractor or a sub.

12.13 CLEANING

Cleaning performed *during* construction is subject to DBRA, and in the absence of a specific wage rate for the cleaning classification, the cleaners must be paid the prevailing wage rate for laborers.

Cleaning performed *after* the completion of construction in order to prepare the premises for occupancy, which is not being done under the construction contract, is NOT subject to the prevailing wage requirements.

12.14 RELATIVES

There are no exceptions made in the enforcement of DBRA on the basis of family relationships for employees or relatives of the owners/partners or principals who are performing the work of laborers or mechanics. They must be paid the prevailing wage rate for the classification of work performed and must be included on the LS-4.

12.15 UTILITY COMPANY EMPLOYEES

Employees of a utility are *exempt* provided they are *only* extending existing service to the property. If they are installing new service, they are covered.

Utility company employees, of private-for-profits, cooperatives, districts or public utilities, who perform construction type work, are **exempt** from federal labor standard provisions as long as the utility company furnishes its own materials and *extends its own utility system*, even if it contracts out for such work.

Situations in which employees of a utility company would be covered by federal labor standards are limited to: relocation of a utility line at the option of the local government; installation of a utility line which would then become the *property* of the grantee or a subrecipient; or any work not related to the utility extension.

12.16 TRANSPORTATION, BOARD AND LODGING EXPENSES

When an employer assigns employees who are regularly employed in their home community to perform a special job at a location outside their daily commuting distances, then as a practical matter, they return to their homes only on weekends. The assumption by the employer of the cost of lodging, and transportation (not customarily furnished by the employer), are considered as payment of travel expenses properly reimbursable by the employer and incurred for its benefit. Such payments are *not* considered bona fide fringe benefits within the meaning of DBRA, are not part of the employee's wages, and do not constitute board, lodging or other facilities customarily furnished and deductible from the predetermined wage.

If an employee, as a normal condition of employment, is regularly employed outside the home community, the employer may deduct the cost of "board, lodging and other facilities" from the employee's wages. However, the contractor must document that employment outside the home community is a normal condition of the job, and must maintain and preserve records substantiating the cost of HOUSING, fuel, merchandise provided through a company store, etc.

APPENDIX

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**SAMPLE ONLY; DO NOT USE; NOT VALID!!!!
ONLY THE FORMAT IS ACCURATE**

SAMPLE DAVIS-BACON WAGE RATES

General Decision Number AZ940010

Superseded General Wage Decision No. AZ970010

State: ARIZONA

Construction Type: HEAVY

County(ies)
SHANGI LA UTOPIA

HEAVY CONSTRUCTION PROJECTS, (excluding dam construction)

Modification Number Publication Date

0	01/33/97
1	03/49/97

AZ970010 - 1

4/99/97

(This information will appear at the bottom of each page)

(pretend this is a new page!!)

ASBEOO42B 01/01/97

ASBESTOS WORKERS/INSULATORS

Includes the application of all insulating materials, protective coverings, coatings and finishings to all types of mechanical systems

Rates	Fringes
17.23	4.001

BOIL066E 04/71/97

BOILERMAKERS (including Containment Lining) 99.49

Rates	Fringes
3.72	

CARP10987Z 08/12/96

CARPENTERS (including Form Work)

Rates	Fringes
14.14	3% of hourly + 4.44

* CARP99887J 06/00/97

MILLWRIGHTS

Zone 1
Zone 2
Zone 3
Twilight Zone

Rates	Fringes
16.00	4.99
17.00	4.59
18.50	4.87
99.44	11.13

ZONE DEFINITIONS FOR MILLWRIGHTS:

Mileage shall be calculated from the construction site to the City Hall in Phoenix or Tucson, or to the worker's residence, whichever is less.

- Zone 1: 0-30 miles
- Zone 2: 30-45 miles
- Zone 3: 45-60 miles
- Twilight Zone: over 60,000,00000 miles

ENGI0404C 03/77/97

	Rates	Fringes
POWER EQUIPMENT OPERATORS:		
Group 1	12.76	3.84
Group 2	15.05	3.84
Group 3	16.74	3.84
Group 4	17.73	3.84

POWER EQUIPMENT CLASSIFICATIONS

- GROUP 1: Gin Truck and Tonic Loader, 3.5 cu yd and under
- GROUP 2: Backhoe; Bulldozer, Caisson Drill; Crane, under 15 tons; Blade/Grader; Field Equipment Serviceperson; Loader, over 3.5 cu yd but less than 6 cu yd; Poier; and Scraper
- GROUP 3: Crane, over 17 tons but less than 99 tons; Loader, 5 cu yd but less than 9 cu yd; and Mechanic
- GROUP 4: Crane, 100 tons and over; Loader 8 cu yd and over

IRON0000K 12/01/1997

	Rates	Fringes
IRONWORKERS; STRUCTURAL		
0-100 miles from City Hall in Phoenix or Tucson	14.00	6.50
100 to 150 miles	15.00	6.50
150 to 250 miles	16.00	6.50
over 250 miles	20.00	6.50

SUAZ2007C 02/05/1996

	Rates	Fringes
LABORERS:		
General	11.02	2.79
Pipelayer	15.00	

WELDERS - Received rate prescribed for craft performing operation to which welding is incidental.

Unlisted classification needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29 CFR 5.5(a) (1) (v).)

In the listing above, the "SU" designation means that rates listed under that identifier do not reflect collectively bargained wage and fringe benefit rates. Other designations indicate unions whose rates have been determined to be prevailing.

END OF GENERAL DECISION

AZ970010 - page #

xx/xx/97

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS-1. REQUEST FOR A WAGE RATE DETERMINATION

1. Description of activity (or portion of the activity) to be bid (or description of the work in the class to be added).

2. If the activity has two or more types of projects, describe the percent of each type or component (in terms of total cost and estimated cost of labor).

Type	Total Estimated Cost of Construction	Total Estimated Labor Cost
------	---	-------------------------------

3. Estimated Total of Construction Contract (CDBG and other): \$ _____

4. Estimated Date of Bid Advertisement: _____

5. Requested by:

Typed Name

Date

Signature

Telephone Number

LS-1 2/98

LS-1. REQUEST FOR A WAGE RATE DETERMINATION Instructions

To determine which types of decision(s) are appropriate to a specific project and then provide these to the grantee, the LS-1 form requests a detailed description of the work to be included in that specific contract, and an estimate of the cost of the "separate/other" type of component, if such will exist.

The grantee must be as specific as possible and include quantitative data. For example:

- Construction of a 2,500 sq. ft. senior center to include site preparation costing about \$175,000; and the paving of a 1,000 sq. ft. parking lot, landscaping of the front area (30 ft. x 10 ft) and the back area (50 ft. x 30 ft) costing about \$25,000. This entire project would likely utilize a Building Decision.
- Construction of a 3,500 sq. ft. waste water treatment plant with two buildings, each approx. 1,500 sq. ft, costing about \$250,000; and installation of about 15,000 lin. ft. of sewer pipe, costing about \$190,000. Both a Building and a Heavy WRD would likely apply in this scenario.

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

**LS-2. CDBG CONTRACTOR'S CERTIFICATION
CONCERNING LABOR STANDARDS AND PREVAILING WAGE REQUIREMENTS**

1. I, the undersigned, am submitting a bid to (name of grantee): _____

for the construction of the (name of project): _____
and hereby acknowledge that the following items are included in the bid and will also be incorporated by reference into the contract, should I be selected as the contractor for the project.

- a. Labor Standards Provisions (HUD 4010)
- b. Wage Decision # _____ Modification # _____; and that
- c. the correction of any infractions of the aforesaid conditions, including infractions by any of my subcontractors and any lower tier subcontractors, is my responsibility.

2. I hereby certify that:

- a. To the best of my knowledge, neither I nor any firm, partnership or association in which I have a substantial interest is designated as an ineligible contractor by the Comptroller General of the United States pursuant to Section 5.6(b) of the Regulations of the Secretary of Labor, Part 5 (29 CFR. Part 5) or pursuant to Section 3(a) of the Davis-Bacon Act, as amended [40 U.S.C. 276a-2(a)].
- b. No part of the aforementioned contract is or will be subcontracted to any subcontractor, if such subcontractor or firm, corporation, partnership or association in which such subcontractor has a substantial interest is, to the best of my knowledge, designated as an ineligible contractor pursuant to any of the aforementioned regulatory or statutory provisions.**

3. I agree to obtain and forward to the aforementioned grantee, a Subcontractor's Certification Concerning Labor Standards and Prevailing Wage Requirements executed by each and every subcontractor, preferably prior to or where circumstances do not allow within ten days after the execution of any subcontract, including those executed by his/her subcontractors and any lower tier subcontractors.

4. I hereby acknowledge that I am aware that should I sign a subcontract with a subcontractor or should that subcontractor sign a contract with a lower tiered subcontractor who is found to be ineligible to receive federal funds, I shall subtract such costs from the amount I will bill the grantee.

5. Further, I certify that:

a. The legal name and the business address of the undersigned are:

Legal Name

Business Address
(include city, state & zip code)

Contractor's Lic. No.

Tax ID No.

LS2.1 12/00

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

**LS-3. CDBG SUBCONTRACTOR'S CERTIFICATION
CONCERNING LABOR STANDARDS AND PREVAILING WAGE REQUIREMENTS**

1. I, the undersigned, having submitted a bid to or having executed a contract with

(contractor or subcontractor): _____

for (name of project): _____

for (nature of work): _____

in the amount of \$ _____ certify that:

a. The Labor Standards Provisions, (HUD 4010), are included in the aforementioned contract or bid:

b. Wage Decision # _____ Modifications # _____ are included in the aforementioned contract or bid;

2. I hereby certify that:

a. To the best of my knowledge, neither I nor any firm, corporation, partnership or association in which I have a substantial interest is designated as an ineligible contractor by the Comptroller General of the United States pursuant to Section 5.6(b) of the Regulations of the Secretary of Labor, Part 5, (29 CFR. Part 5) or pursuant to Section 3(a) of the Davis-Bacon Act, as amended [40 U.S.C. 276a-2(a)].

b. No part of the aforementioned contract has been or will be subcontracted to any subcontractor, if such subcontractor or firm, corporation, partnership or association in which such subcontractor has a substantial interest is, to the best of my knowledge, been designated as an ineligible contractor pursuant to the aforesaid regulatory or statutory provisions.

3. I agree to obtain and forward to the contractor, for transmittal to the grantee prior to or within ten days after the execution of any lower subcontract, a Subcontractor's Certification concerning Labor Standards and Prevailing Wage Requirements, LS 3, executed by the lower tiered subcontractor.

4. I hereby acknowledge that I am aware that should I sign a subcontract with a subcontractor or should that subcontractor sign a contract with a lower tiered subcontractor who is found to be ineligible to receive federal funds, I shall subtract such costs from the amount I will bill the grantee.

5. I further certify that:

a. The legal name and the business address of the undersigned are:

<u>Legal Name</u>	<u>Business Address</u> (include city, state & zip code)	<u>Contractor/Subcontractor License No.</u>	<u>Tax ID No.</u>
-------------------	---	---	-------------------

b. The undersigned is:

a single proprietorship;

a partnership;

a corporation organized in the State of _____ ;or

another organization (describe) _____

LS-3.1 12/00

c. The name, title and address of the owners, partners or officers of the undersigned are:

<u>NAME</u>	<u>TITLE</u>	<u>ADDRESS</u>
-------------	--------------	----------------

d. The names and addresses of all other persons, both natural and corporate, having a substantial interest in the undersigned, and the nature of the interest, are (IF NONE, SO STATE):

<u>NAME</u>	<u>ADDRESS</u>	<u>NATURE OF INTEREST</u>
-------------	----------------	---------------------------

e. The names, addresses and trade classifications of all other building construction contractors in which the undersigned has a substantial interest are (IF NONE, SO STATE):

<u>NAME</u>	<u>ADDRESS</u>	<u>TRADE CLASSIFICATION</u>
-------------	----------------	-----------------------------

6. I hereby certify that I have the legal authority to complete and submit this document on behalf of:

- a. Name of Contractor: _____
- b. Signature (**in ink**): _____
- c. Type or Printed Name: _____
- d. Title: _____
- e. Date: _____

WARNING: U.S. Criminal Code, Section 1010, Title 18, U.S.C. provides in part: "Whoever...makes, passes, utters or publishes any statement, knowing the same to be false...shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

Approval Use Only	
Subcontractor is eligible to participate in the CDBG funded construction project:	Yes <input type="checkbox"/> No <input type="checkbox"/>
Comments: _____	
Person making this determination: (typed or printed name): _____	
Signature _____	Date _____
Date grantee or CDBG program notified of determination: _____	
Grantee or CDBG Program notified by: Mail <input type="checkbox"/> Fax <input type="checkbox"/> Phone <input type="checkbox"/> e-mail <input type="checkbox"/>	

LS-3.2 12/00

LS-4 PAYROLL REPORT

NAME OF CONTRACTOR () OR SUBCONTRACTOR ()	ADDRESS
---	---------

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

(1) NAME, ADDRESS AND SOCIAL SECURITY NUMBER OF EMPLOYEE	No. of WH Exe m	(2) WORK CLASSIFICATION	(3) DAY AND DATE							(4) TOTAL HOURS	(5) RATE OF PAY	(6) GROSS AMOUNT EARNED	(7) DEDUCTIONS					(8) NET WAGES PAID
			O T or S T	HOURS WORKED EACH DAY									FICA	WITH- HOLDING	OTHER	TOTAL DEDUCTIONS		
			O															
			S															
			O															
			S															
			O															
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			O															
			S															
			O															
			S															

GRANTEE USE ONLY			
Date Received: _____	Date Reviewed: _____	Reviewed By: _____	CDBG Contract No: _____
Grantee Name: _____			

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS-6. PRE-CONSTRUCTION CONFERENCE REPORT

This report is to be completed during or immediately after the pre-construction conference. Attach detailed notes or minutes of the conference and a sign-in sheet, if possible.

1.A. Conference Date: _____

B. Location:

2. Prime Contractor (name, address, phone number):

3. Prime Contract Amount: \$ _____

4. Subcontractors, if any are known: (name, address, phone number)

5. Participants (or attach a sign-in list)

<u>Name</u>	<u>Title</u>	<u>Entity Represented</u>
-------------	--------------	---------------------------

LS6.1 2/98

6. ITEMS COVERED	✓
I. Labor Standards Issues	
a. Payment of Davis Bacon Wages	
b. Overtime pay and when applicable	
c. Fringe benefits (cash or approved plan)	
d. If fringe benefit plan, need information and approval	
e. Allowable deductions and documentation	
f. Use of apprentices, trainees, etc. and documentation	
g. Exempt employees	
h. Timely submission of LS-4/5s (by contractor and subcontractors)	
i. Review LS-4/5 and questions answered	
j. Anti kickback provisions	
k. Posting WRD, Notice to Employees, EEO posters	
l. Employee interviews	
m. Labor standards provisions in all subcontracts at all tiers	
n. Timely submission of LS-3s for all new subcontractors	
o. Responsibility for subcontractors	
p. Definition of "actual time records"	
q. Restitution and liquidated damages (includes subcontractors)	
r. Sanctions and withholding payments	
s. Debarment	
t. Confidentiality of complaints and prohibition on retaliation against employees	
u. The 4010	
II. Retention and access to all actual time records for five (5) years	
III. Civil rights compliance (non discrimination and Section 3)	
IV. Grantee's role and responsibilities	
V. Contractor's role and responsibilities	
VI. A Contractor's Guide to Davis-Bacon Wage Requirements & Certified Payroll Reports provided to the contractor	
VII. Other:	

7. Report Prepared by:

Name _____

Title _____

Signature _____

Date _____

LS-6.2 2/98

NOTICE TO ALL EMPLOYEES

Working on Federal or Federally Financed Construction Projects

MINIMUM WAGES

You must be paid not less than the wage rate in the schedule posted with this Notice for the kind of 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 a week. There are some exceptions.

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, contact the Contracting Officer listed below:

or you may contact the nearest office of the Wage and Hour Division, U.S. Department of Labor. The Wage and Hour Division has offices in several hundred communities throughout the country. They are listed in the U.S. Government section of most telephone directories under:

**U.S. Department of Labor
Employment Standards Administration**

ANUNCIO A TODOS LOS EMPLEADOS

**Para trabajar en la construcción federal o
los proyectos federal financiados**

EI MINIMO EMPRENDE	Usted no debe menos ser pagado que el índice de la paga en el horario anunciado con esta nota para la clase del trabajo que usted hace.
EI TIEMPO Y MEDIO	Usted no debe menos ser pagado que un y un medio cronometra su índice básico del pago por todas las horas trabajó en 40 una semana. Hay algunas excepciones.
Los APRENDICES	Los índices del aprendiz se aplican solamente a los aprendices registrados apropiadamente bajo aprobado o programas de aprender del estado federal.
PAGO Apropiado	Si usted no recibe el pago apropiado, ella advierte contrayendo a funcionario enumerado abajo:
	O usted puede avisar la más cercana oficina de la División del Sueldo y la Hora, los EE.UU. El departamento del Trabajo. La División del Sueldo y la Hora tiene las oficinas en varias cien comunidades a través del país. Ellos son listados en los EE.UU. La sección del gobierno de la mayoría de las guías telefónicas abajo: U. S. El departamento de la Administración de Estándares de LaborEmployment

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS-8. CONSTRUCTION STATUS REPORT

This report is to be mailed to CDBG within;

- a) seven (7) days after the start of construction;
- b) a change in the contract scope of work from procured construction to construction by public employees, volunteers/offenders; or
- c) contract termination.

If b or c please skip to line 15. Otherwise please complete entire form.

A separate report should be completed for each Activity.

1. This contract utilizes all of the funds within the contract. <input type="checkbox"/> Yes (CDBG will stop sending WRD Modifications) <input type="checkbox"/> No (this project is being bid in segments and CDBG should continue to send WRD Modifications)		
2. Prime Contractor	3. Total Contract Amount	4. CDBG Amount
5. Subcontractors (Indicate if None)		
6. Contractors and Subcontractors certified/approved (LS-2/3) by: <input type="checkbox"/> CDBG Staff <input type="checkbox"/> Other (identify)		
7. Date of Bid Opening:		
8. Date of Award:		9. Date Contract Signed:
10. WRD number (to include modifications) in signed contract:		
11. Date(s) of Pre-Construction Conference:		
12. Date(s) of Notice to Proceed, if one is issued:		
13. Date(s) of Start of Construction:		
14. Estimated Completion Date:		
15. <input type="checkbox"/> Community is using public employees/volunteers or offenders; <input type="checkbox"/> Contract is being/has been terminated.		
16. This report was prepared by:		
_____	_____	_____
Signature	Date	
_____	_____	_____
Printed Name	Phone Number	

LS-8 2/03

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

**LS-9. RECORD OF EMPLOYEE INTERVIEW
LS-10. ON-SITE INSPECTION REPORT**

A. TO BE COMPLETED PRIOR TO INTERVIEW

1. a. Activity Number: _____ b. Activity Name: _____
2. a. Contractor: _____
b. Subcontractor: _____
3. Observe employee at work, if possible. Describe the duties you saw the employee engaged in and the tools used.
4. Date: _____

B. INTERVIEW

1. Your name: _____
2. Your home address, to include zip code *and* mailing address if different:

3. The last day you worked on this project (by day & date) **PRIOR** to today:

4. The number of hours you worked on that day: _____
5. Your job classification (state also if more than one or if unknown):

6. Your hourly rate of pay (indicate also if paid in more than one classification or if unknown):

7. a. Do you receive your fringe benefits in cash or are you covered by a fringe benefit plan:
Cash Fringe Benefit Plan Unknown
b. If received in cash, amount per hour: _____
c. If a plan, what is the name of the plan and/or what type of benefits are provided?

8. Are you an apprentice, trainee or in a HUD approved Step Up Program?
 Yes (Name of program: _____)
 No
9. Describe your job duties *and* the tools and equipment you use.
10. a. Have you worked any overtime on this project (more than 40 hours per week)? Yes No
b. If yes, have you been paid at least time and a half for all such hours?
 Yes No (explain: _____)

LS-9/10 1. 2/98

11. Have you ever been threatened, intimidated or coerced into giving up any of your pay?

- Yes (explain: _____)
 No

12. Do you know that you are working on a federally-funded project and that you are to be paid wages set by DOL (Davis Bacon wages)? Yes No

13. Do you know where the Wage Rate Decision for this project is posted?

- Yes (Have you ever looked at it? Yes No)
 No

Comments:

14. Do you know where the Notice to Employees is posted?

- Yes (Have you ever looked at it? Yes No)
 No

Comments:

15. Do you know where the nondiscrimination poster is posted? Yes No

- Yes (Have you ever looked at it? Yes No)
 No

Comments:

16. Have you ever been discriminated against in this project due to race, gender, age, ethnicity or disability?

- Yes (explain: _____)
 No

NOTE: If the employee does not know where the WRD, Notice to Employees or Non-Discrimination information is posted, the interviewer should inform the person of the location(s) and urge them to look at all the documents!!

17. Are there any unsafe, hazardous, or dangerous conditions not normal to the job that you have been exposed to or are aware of in this project?

- Yes (explain: _____)
 No

18. Were you told that someone would interview you during this project?

- Yes (What were you told about the purpose of the interview and the questions that would be asked and/or answers that you should give? _____)
 No

19. Remarks should include whether observed duties and tools used were the same as those described by the employee during the interview (use additional pages if necessary):

20. _____
Printed Name of Interviewer

Title

Signature

Date

LS-9/10 2. 2/98

C. POST INTERVIEW AND PAYROLL EXAMINATION

1. Does the Payroll (LS-4) indicate that the employee worked on the date and the number of hours s/he indicated in B.3. and 4. above on the day **prior** to the interview?
 Yes No Comments:

2. Does the LS-4 indicate that the employee worked on the **date** of the interview?
 Yes No Comments:

3. Does the LS-4 indicate that the employee's job classification is the same as that indicated by the employee in B.5. above?
 Yes No Comments:

4. Does the Payroll indicate that the employee received the wages as s/he stated in B.6. above?
 Yes No Comments:

5. Does the LS-4/5 indicate that the employee received the fringe benefits in the amount and as stated in B.7. above
 Yes No Comments:

6. Do the wages/fringes agree with the WRD in the contract (to include modifications)
 Yes No Comments:

WRD number (including modifications): _____

7. _____
Printed Name of Payroll Examiner Title
- _____
Signature Date

LS-10 - ON-SITE INSPECTION REPORT COMPLETED AND ATTACHED?

Yes No

LS-9/10 3. 2/98

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS-9. EL REGISTRO DE ENTREVISTA DE EMPLEADO
LS-10. EL INFORME IN SITU DE LA INSPECCION

A. PARA SER COMPLETADO ANTES DE LA ENTREVISTA

1. a. El Número de la actividad: _____ b. El Nombre de la actividad: _____
2. a. El contratista: _____
b. El subcontratista: _____
3. Observe a empleado en el trabajo, si es posible. Describa los deberes que usted vio al empleado hacer y las herramientas usadas.
4. Fecha: _____

B. ENTREVISTA

1. Su nombre: _____
2. Su dirección casera, incluir código postal y dirección el enviar si es diferente:

3. El día pasado usted trabajó en este proyecto (por día y la fecha) antes de hoy:

4. El número de horas que usted trabajó en ese día: _____
5. Su clasificación del trabajo (el estado también si más que uno o si desconocido)

6. Su precio de la paga por hora (indique también si está pagado en más de una clasificación o si desconocido) Su tasa pagada por hora (indique también si pagado más que una clasificación o si desconocido) :

7. a. Usted recibe sus beneficios complementarios en efectivo o es usted cubrió por un plan de los beneficios complementarios:
Cambía Plan de Beneficios complementarios Desconocido
b. Si está recibido en efectivo, ascienda por hora: _____
c. ¿ Si un plan, cuál es el nombre del plan y/o qué tipo de ventajas se proporciona?

8. ¿Es usted aprendiz, aprendiz o en un HUD aprobado intensifique el programa?
 Sí (Nombre del programa): _____
 No
9. Describa sus deberes del trabajo y las herramientas y el equipo que usted utiliza.
10. a. ¿Usted ha trabajado tiempo suplementario en este proyecto (más de 40 horas por semana)?
 Sí No

11. ¿Le siempre han amenazado, se han intimidado o se han forzado en dar encima de cualquiera de su paga?
 Sí (explique: _____)
 No

12. ¿Usted sabe que usted está trabajando en un proyecto federal-financiado y que usted debe ser pagado los salarios fijados por DOL (salarios de Davis Bacon)? Sí No

13. ¿Usted sabe dónde la decisión de la tarifa de salario para este proyecto se fija?
 ¿Sí ¿Usted lo ha mirado siempre? Sí No)
 No
Comentarios:

14. ¿Usted sabe dónde el aviso a los empleados se fija?
 ¿Sí (Usted lo ha mirado siempre? Sí No)
 No
Comentarios:

15. a. ¿Usted sabe dónde no el cartel de la discriminación se fija? Sí No
 Sí (¿Usted lo ha mirado siempre?? Sí No)
 No
Comentarios:

16. ¿Le siempre han discriminado contra en este proyecto debido a la raza, al género, a la edad, a la pertenencia étnica o a la inhabilidad?
 Sí (explique: _____)
 No

¡ Nota: ¡Si el empleado no sabe dónde se fija el WRD, aviso a la información de los empleados o de la No-Discriminac'o'n, el entrevistador debe informar a la persona el location(s) e impulsarlo mirar todos los documentos!

17. ¿ ¿Hay inseguro, peligroso, o las condiciones peligrosas no normales al trabajo que le han expuesto a o están enterado en de este proyecto?
 Sí (explique: _____)
 No

18. ¿Le dijeron que alguien se entrevistaría con le durante este proyecto?
 Sí (¿Qué le hablaron del propósito de la entrevista y de las preguntas que serían pedidas y/o de las respuestas que usted debe dar?)
 No

19. Las observaciones deben incluir si los deberes observados y las herramientas usados eran iguales que éstos descritos por el empleado durante la entrevista (páginas adicionales del uso en caso de necesidad):

20. _____
Nombre impreso del Investigador

El título

Firma

La fecha

C. ENTREVISTA DEL POSTE Y EXAMINACION DE LA NOMINA DE PAGO

1. ¿La nómina de pago (LS-4) indica que el empleado trabajó la fecha y el número de las horas s/he indicadas en B.3. y 4 arriba en el día antes de la entrevista?
 Sí No Comentarios:

2. ¿El LS-4 indica que la clasificación de trabajo del empleado es igual que ésta indicada por el empleado en B.5. arriba?
 Sí No Comentarios:

3. ¿El LS-4 indica que la clasificación de trabajo del empleado es igual que ésta indicada por el empleado en B.5. arriba?
 Sí No Comentarios:

4. ¿La nómina de pago indicó que el empleado recibió los salarios como s/he indicado en B. 6. arriba?
 Sí No Comentarios:

5. Hace el LS-4/5 indican que el empleado recibió los beneficios complementarios en la cantidad y según lo indicado en B.7 arriba.
 Sí No Comentarios

6. Haga el wages/fringes convienen con el WRD en el contrato (incluir modificaciones)
 Sí No Comentarios:

Número de WRD (modificaciones incluyendo): _____

7. _____
Nombre impreso del examinador de la nómina de pago Título

La firma

La fecha

¿ LS-10- EN LA INSPECCION DE SITIO EL INFORME TERMINO Y UNIO?

Sí No

LS9/10.3 2/03

LS-9. RECORD OF EMPLOYEE INTERVIEW

Instructions

Section A

This section must be completed prior to the interview and should describe the actions rather than the job class, i.e., "laying water pipe in the trench" rather than Laborer Group 4. Item #3 requires that the Interviewer observe the employee at work prior to conducting the interview. This is a very important part of the interview. If possible, the observation should be conducted unobtrusively, so that neither the employee nor the supervisor/contractor is aware. The purpose of the observation is to ensure that the employee is actually doing the work as it is reported to the interviewer and as recorded on the LS-4, Payroll Report. It also prevents situations in which the employee is actually doing work that requires higher wages but switches to a lower wage activity as soon as the interviewer appears. For example, the employee is actually operating a backhoe, but suddenly starts carrying pieces of pipe and performing other laborer's duties as soon as the interviewer arrives.

If the interview is conducted away from the job site, a notation of the reason why and the location should be inserted here.

Section B

Prior to asking the questions in this section the interviewer should introduce him/herself in terms of his/her role as the grantee's agent, explain the purpose of the interview and its confidentiality. (Disclosure of employee statements is governed by the provisions of the Freedom of Information Act and the Privacy Act of 1974.)

Example: "My name is V.R. Nosey, and I'm the Assistant Planning Director for Cactus City. Cactus City has received some federal funds from the Department of Housing and Urban Development (HUD) for this street widening project on which you are working. These federal funds require that certain wage and labor laws be complied with by the contractor. Also, they require that some of the employees on the job be interviewed. The (name of contractor or sub) knows that someone from the City will be interviewing people throughout the project. I'd like to ask you a few questions about your work on this project to determine your employer's compliance. All of the information that you give me will be kept confidential, as required by these laws, and your identity will be disclosed only with your written permission."

Employees should be encouraged to produce pay stubs or pay envelopes which document the wages received.

The LS-9 is for the Interviewer and thus s/he should feel free to make any additional notes on it as necessary, and to record additional information that may be important in determining contractor compliance.

Other items to note are:

- 3. This refers to the last day **prior** to the day of the interview that this employee worked on this project.
- 4. The interviewer should make it clear to the worker that these items relate only to project work, not to other work. As a double check on the number of hours worked on the project, the interviewer should ask the worker the time s/he started work on the project on the day in question, the time s/he stopped, and the time out for lunch. The interviewer is encouraged but not required to record these details on the LS-9 as the questions may help the worker to remember the number of hours worked.
- 5. The worker may not be familiar with the classifications used on the wage determination and thus may use a descriptive term which may not be found on the determination, e.g., Rodperson. Further questioning will probably elicit the information that s/he installs reinforcing bars and, depending on

the area and WRD, the worker will agree that his/her work is that of an ironworker or laborer. These additional questions by the interviewer and comments by the employee should be noted on the LS-9, along with the correct job class title.

- 6. The interviewer should determine what the worker is being paid and should not be concerned if the worker is being paid a higher rate. However, if the hourly rate of pay stated by the worker is lower than the required rate, the interviewer should immediately question the worker further in an effort to determine whether the worker is mistaken or is really being underpaid. For example, has the worker actually received at least one paycheck for work performed on this project, or is his/her statement based on the rate received for other work? If the latter, the interviewer should ask the worker to check his/her next check to determine the rate of pay for work on the project. The interviewer should either arrange to re-interview the worker during the following week or encourage the worker to mail the information by providing a stamped, self-addressed envelope. If the worker states that s/he received wages less than the required rate, the interviewer must try to solicit substantiating evidence from the worker. For example, does the worker have a pay envelope, pay slip, pay check stub, or any other forms showing the hourly wage rate or hours worked and earnings available? If not, can they be provided at a later date?
- 13., 14 & 15 If the employee does not know the location of the Wage Rate Determination, Notice to Employees and non-discrimination posters, the interviewer should tell him/her where they are posted and note this on the LS-9.

Although the interviewer should follow the questions as stated on the form and should never lead the employee into answers, it may also be necessary to deviate from the list of questions in some instances. For example, if the employee says that s/he worked overtime but was not paid time and a half at the WRD level, several follow-up questions may be necessary to ensure that such hours were worked on this job, rather than on some other non-federally funded job. These additional questions (or at least notes about the fact that other questions were asked) should be made on the LS-9.

Section C

This part of the form is completed *after* receipt of the payroll reports, LS-4/5 covering the week during which the interview was conducted. It is important that the LS-4/5 is received timely so that the grantee can compare and verify the interview information or attempt to investigate discrepancies. The Payroll Examiner can be the same person as the interviewer. If not, it should be someone familiar with the WRD, labor standards provisions and the construction project.

If *any* of the questions in Section C are answered "NO," the grantee must investigate and resolve the issue, with documentation of the investigation and resolution in the Labor Standards File. For example, if the payroll indicates that the employee worked a different number of hours than the employee indicated, the grantee must: a) contact the employee and ask for clarification; or b) request the contractor's actual time records, depending on the significance of the discrepancy. This should be done without revealing the identity of the employee, i.e. by asking for all employee records for one work week.

If the employee said s/he worked 8 hours and the Weekly Payroll said 7 hours, the grantee could start with a quick visit to the employee and ask for clarification. "You told me you worked 8 hours, however, the payroll report shows you as having worked only 7 hours. How many hours were you paid for during that week and do you believe it's the correct amount for the hours you worked?" All questions should be stated in such a way or prefaced with a comment clearly indicating that the interviewer is *not* attempting to intimidate the employee.

However, if the difference in hours is great, the employee insists the hours are correct and states that s/he was only paid for the lower number of hours shown on the LS-4, and/or a number of persons interviewed state different hours than those shown on the payroll report, the grantee **must** request the actual time records and then conduct an investigation as described in Section 11.

LS-10. ON-SITE INSPECTION REPORT

1. a. Date Monitored: _____ b. Time: _____

2. Location of Job Site: _____

3. Wage Rate Decision (WRD)

a. Posted: Yes No

b. Location: _____

c. WRD No: _____

d. Correct (same as in the contract): Yes No

e. Comments (is location clearly visible, easily accessible to employees, etc.):

4. Notice to Employees

a. Posted: Yes No

b. Location: _____

c. Identify Name of Contracting Officer on Notice (indicate if blank):

d. Comments, to include if location is clearly visible and easily accessible to employees; contracting officer appears to be appropriate person, etc.; if in another language, where a significant number of employees may be of limited English-speaking ability.

5. Equal Opportunity Employment/Nondiscrimination in Hiring Posters

a. Posted: Yes No

b. Location: _____

c. Comments (to include if location is clearly visible and easily accessible; if in another language, where a significant number of employees may be of limited English-speaking ability):

6. _____
Printed Name of Monitor Title

Signature Date

LS9/10.4 2/98

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS-11. LABOR STANDARDS INVESTIGATIVE REPORT

A separate form is to be used to document each investigation of potential or alleged violations of federal labor standards. It is to be maintained in the grantee's labor standards file and mailed to the CDBG Program within 30 days of completion.

1. a. Prime Contractor Name:
b. Address:
c. Telephone Number:
2. a. Subcontractor Name (if applicable or NA):
b. Address:
c. Telephone Number:
3. a. Date of the grantee's initial awareness of the situation:
b. Manner in which the grantee became aware of the possible violation:
c. Describe the nature of the alleged violation(s), e.g., underpayments; no overtime pay; worker(s) not listed on LS-4; unidentified and unverified subcontractor; intimidation of employee(s); kickbacks; undocumented use of apprentices; unsafe working conditions.
4. Detailed description of the conduct and extent of the investigation, i.e., who conducted it, who was contacted, what records were examined, and the dates of each.

LS-11.1 2/98

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS-12. LABOR STANDARDS ENFORCEMENT REPORT

This report must be filled out in all cases in which: 1) there is an underpayment by a contractor or a sub of \$1,000 or more; or 2) the grantee has a reason to believe that the violation was aggravated (a violation of greater scope than the average instance of that type of violation, e.g., no employees were paid fringe benefits), or 3) the violation was willful and intentional. An LS-11 must accompany this report. A copy of this report must be sent to the CDBG Program within **seven (7)** working days of completion.

1. Prime Contractor:
a. Name:
b. Address
c. Telephone Number
2. Subcontractor(s) (if applicable or NA)
a. Name
b. Address
c. Telephone Number
3. Reason(s) why this report is required: (check all applicable)
a. amount of restitution is \$1,000 or more: <input type="checkbox"/>
b. the violations were aggravated: <input type="checkbox"/>
c. the violations were willful: <input type="checkbox"/>
4. Describe the basis for a, b or c. in 3. above.
5. Restitution was required as a result of this violation. Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, see attached LS-4/5's signed by the employee(s) as documentation that the employee(s) received such restitution payments (or explain why such is not necessary).

LS-12.1 2/98

6. The contractor can be assessed liquidated damages in the amount of \$10.00 per day, per employee, for each day overtime payments were incorrect. If applicable, determine the amount of damages to be assessed below. This information will then be forwarded to HUD for further action.

a. Employee Name b. Contractor/Sub c. Date of Violation d. Number of Hours
Worked over 40

e. Total amount of damages computed at \$10/day for each violation: \$

7. Recommendation as to whether the damages should be assessed or waived, and if assessed, the amount, i.e., the total amount or a reduced amount; and why. This information shall help form the basis for a decision by Housing to report the incident to the HUD Labor Relations Office, which has the authority to actually assess such damages. However, a grantee may withhold funds, at the computed amount of the liquidated damages, pending a decision by Housing and then by the HUD Labor Relations Office.

8. Please indicate whether the contractor has been notified of the OT pay violation and the computed amount of liquidated damages due, and whether the contractor has been notified in writing that the funds have been withheld.

9. Recommendations as to sanctions to be imposed by Housing/HUD/DOL against the contractor or sub, to include debarment etc., along with any reasons for such actions in addition to information already provided in this LS-12 or the LS-11.

10. Report Prepared by: _____

Typed Name

Date

Signature

Telephone Number

LS-12.2 2/98

8. b. Subcontractor Representative (must be owner, principal or partner as shown on the LS-2/3):

Signature

Date

Printed Name

Title

c. Employees, if known. Indicate if employees are unknown.

Signature

Printed Name

Date

Signature

Printed Name

Date

Signature

Printed Name

Date

9. I hereby request that:

- Housing CDBG Program conform the job classification(s) to the rate(s) shown above; OR
- DOL make a determination based on the attached information, as no agreement can be reached between the parties.

Signature of CDBG contact person

Date

Printed Name

Phone Number

CDBG Program Staff Only

- Above conformance of classification(s) indicated is hereby approved.
- The interested parties cannot agree upon the proposed classification(s) and wage rate(s). A determination by the Secretary of Labor is hereby requested.
- Available information and recommendations are attached, if any.

Signature: _____
Joy Johnson, CDBG Program Manager

Date: _____

LS-13.2 2/98

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS-14. FRINGE BENEFIT DOCUMENTATION FORM

(Please complete Section 1 or 2 and submit to CDBG)

1. Telephone/Email Contact	
a) If email, attach email to this document	
b) Name of the person making the telephone call(s):	
c) Date of telephone call(s):	
d) Name of entity called (union or company):	
e) Title and name of person contacted:	
f) Phone number of entity called:	
g) Name of fund	
h) Is contractor current with payments: <input type="checkbox"/> Yes <input type="checkbox"/> No Date of Last Payment:	
i) Comments:	
j) If a union was contacted, is contractor a signatory to the Trust Fund Account? <input type="checkbox"/> Yes <input type="checkbox"/> No Name and location of Trust Fund: Comments:	
2. Remittance Statement	
a) Remittance Statement is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No Comments:	
b) The Statement compares to the LS-4/5: <input type="checkbox"/> Yes <input type="checkbox"/> No Comments:	
3. Certification. By my signature I certify that: all of the information on this form is correct to the best of my knowledge; I am signing this statement of my own free will and under no coercion; and I understand that falsification of information may result in legal action being taken against me.	
_____ Signature	_____ Date
_____ Typed Name	_____ Phone Number

LS-14 2/03

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS-15. AUTHORIZATION FOR DEDUCTIONS

The undersigned authorize deductions, as noted, to be made from his/her wages. It is understood that:

- the deduction(s) are in the interest of the employee,
- the deduction(s) are not a condition of employment,
- there is no direct or indirect financial benefit accruing to the employer,
- it is not otherwise forbidden by law; and
- if the deduction(s) are for fringe benefits, information regarding the fringe benefit plan has been provided to me in writing

1.a EMPLOYEE NAME	b. DATE(s) (may cover all work performed for contract)	c. AMOUNT	d. PURPOSE
-------------------	--	-----------	------------

Printed Name

Signature

(Page of)

2. Name of Contractor/Sub:

Signature of Authorized Representative

Date

Typed Name

Phone Number

LS-15 2/98

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS-15. AUTHORIZACION PARA LA DEDUCCION

El firmante de abajo autoriza las deducciones, notadas de sus sueldos. Se entiende que:

- la deducción esta en el interés del empleado,
- la deducción no es una condición del empleo
- no hay beneficio directo o indirecto financiero acumulado por el empleador
- no esta prohibido por la ley, y
- si la deducción es para el beneficio adicional, la información con respecto al plan de los beneficios han sido proporcionados por escrito

1.a EMPLOYEE NAME	b. DATE(s) (may cover all work performed for contract)	c. AMOUNT	d. PURPOSE
-------------------	--	-----------	------------

Printed Name

Signature

(Page of)

2. Name of Contractor/Sub:

Signature of Authorized Representative

Date

Typed Name

Phone Number

LS-15 2/03

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS 16. VOLUNTEER CERTIFICATION

1. Project (name, location, etc. - to be completed by the grantee):

2. Volunteer Statement:

In connection with the project described above, which is being funded in whole or in part with CDBG funds, I (*name*) _____ do hereby certify that I am performing volunteer work on this project and that:

a. I am **not** otherwise employed at any time in the construction work for this project by the contractor or any subcontractor authorized to work on this project; and

b. I will receive:

1) Expenses, reasonable benefits or nominal fees: Yes No If No, proceed to 3.

2) Expenses in the form of: _____

3) Reasonable benefits in the form of: _____

4) A nominal fee of: _____

3. **Certification**

I understand that this certification is required by federal guidelines relating to the Community Development Block Grant (CDBG) program which mandate compliance with federal labor standards and the payment of Davis Bacon wages, except under limited circumstances. Further, I hereby state that I am signing this statement of my own free will and under no coercion, and I understand that falsification of information may result in legal action being taken against me.

Volunteer Signature

Date

Printed/Typed Name

Grantee hereby affirms that (*volunteer name*) _____ is not employed in the construction work on this project by the contractor or any subcontractor authorized to work on this project.

Authorized Signature

Date

Printed/Typed Name

Title

NOTARIZED BY:

Signature

Date

Printed/Typed Name

(SEAL)

LS-16 2/98

Grantee: _____ CDBG Contract No: _____

Activity No: _____ Activity Name: _____

LS-17. CERTIFICATION FOR APPLICABLE FRINGE BENEFIT PAYMENTS

PROJECT NAME: _____

NAME OF CONTRACTOR/SUB: _____

Provide the name, address, and telephone number of each Plan for fringe benefits provided. List for each classification if different.

1. Employee Classification:
Health and Welfare:
Pension:
Vacation:
Apprenticeship/Training:
Other:
2. Employee Classification:
Health and Welfare:
Pension:
Vacation:
Apprenticeship/Training:
Other:
3. Employee Classification:
Health and Welfare:
Pension:
Vacation:
Apprenticeship/Training:
Other:

I hereby certify that I make payments to the fringe benefit plans, funds, or programs identified above.

Signature (must be owner/principal/officer as shown on LS-2/3) Date

Typed Name Title

LS-17 2/98

FEDERAL LABOR STANDARDS PROVISIONS

U.S. Department of Housing and Urban Development

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section I (b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR-5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR Part 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed- The wage determination (including any additional classification and wage rates conformed under 29 CFR Part 5.5(a)(1)(ii) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible - place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination, and

Previous Edition is Obsolete

**HUD4010 (2/84)
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(2) The classification is utilized in the area by the construction industry, and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, DC. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met, The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from

the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, sponsor, applicant, or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years* thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project), Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section I(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section I(b)(2)(B) of the Davis-Bacon Act the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant

*** 5 years by Arizona Revised Statute**

Documents (Federal Stock Number 029-005-00014-1), U.S. Government Printing Office, Washington, DC. 20402. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.) sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR Part 5.5(a)(3)(i). This information may be submitted in any form desired. Optional Form WH-347 is available for this purpose and may be purchased from the Superintendent of **(b)** Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be maintained under 29 CFR Part 5.5 (a)(3)(i) and that such information is correct and complete;

(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph A.3.(ii)(b) of this section.

(d) The falsification of any of the above certifications may subject the C-Contractor or subcontractor to civil or criminal prosecution under Section 1 ()01 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under paragraph A.3.(i) of this section available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR Part 5.12.

4. (i) Apprentices and Trainees. Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Bureau of Apprenticeship and

Training, or with a State Apprenticeship Agency recognized by the Bureau, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Bureau of Apprenticeship and Training or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Bureau of Apprenticeship and Training, or a State Apprenticeship Agency recognized by the Bureau, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and

participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30,

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as HUD or its designee may by appropriate instructions require, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR Part 5.5.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1010, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration makes, offers or publishes any statement, knowing the same to be false shall be fined not more than \$5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B Contract Work Hours and Safety Standards Act. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of eight hours or in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 (formerly part 1518) and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act (Public Law 91-54. 83 Stat 96).

(3) The Contractor shall include the provisions of this Article in every subcontract so that such provisions will be binding on each subcontractor. The Contractor shall take such action with respect to any subcontract as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.

(4010.doc)

ANTI-DISCRIMINATION POSTER

EQUAL EMPLOYMENT OPPORTUNITY POSTER

EXAMPLES OF LS-4 AND LS-5

Example of Correct LS-4 (Sample A)

Example of Correct LS-5 (Sample A)

CDBG FILE CHECKLIST

LABOR STANDARDS

CDBG Contract # _____

Check/Date	Item
_____	LS-1, Request for Wage Determination (WRD)
_____	Housing WRD letter responding to above
_____	Copy of Wage Rate Determination # _____
_____	Modifications received, if any # _____ # _____ # _____
_____	Documentation that all bidders notified of Mod(s)
_____	Documentation that modification received less than 10 days before BOD and grantee was unable to notify all bidders, if applicable
_____	LS-2, Contractors Certification
_____	LS-3, Subcontractors Certification (number of sub _____)
_____	LS-6, Pre-Construction Conference Report and Date _____
_____	LS-8, Construction Status Report, and date mailed _____
_____	LS-11, Labor Standards Investigative Report
_____	LS-12, Labor Standards Enforcement Report
_____	LS-13, Request for Wage Conformance and approval, if applicable
_____	LS-14, Documentation of Fringe Benefit Plan, date signed _____
_____	LS-15, Authorization for Deductions
_____	*LS-16, Volunteer Certification, if applicable. By a slash mark, indicate how many in the file: <input style="width: 150px; height: 15px;" type="text"/>
_____	*LS-17, Certification for Applicable Fringe Benefit Payments
_____	Copy of Agreement for offender labor

*These may be placed in separate files if there are a number of such items. Each separate file should be labeled with the CDBG contract and activity number.

LSFC.2 (2/03)

CONFIDENTIAL

CDBG FILE CHECKLIST

LABOR STANDARDS

CDBG Contract # _____

All items in this file are to remain CONFIDENTIAL. If a release of information is requested, contact the Arizona Department of Housing for instructions.

Check/Date	Item
_____	LS-4/5 Weekly Payroll Reports and Statements of Compliance (SOC) By a slash (//), indicate the number of LS-4/5s inserted into the file for the: Prime: <input type="text"/> Sub #1: <input type="text"/> #2: <input type="text"/> #3: <input type="text"/>
_____	LS-9/10, Employee Interviews/On-Site Inspection Reports By a slash mark, indicate the number of LS-9s inserted into the file for the: Prime: <input type="text"/> Sub #1: <input type="text"/> #2: <input type="text"/> #3: <input type="text"/>
_____	LS 10: Prime: <input type="text"/> Sub #1: <input type="text"/> #2: <input type="text"/> #3: <input type="text"/>
_____	Complaints/Violations and documentation relating to such
_____	LS-11, Investigative Report
_____	LS-12, Enforcement Report
_____	Revised LS4/5s
_____	LS-15, Authorization for Deductions

LSFC.2-1 (2/98)

Grantee: _____ Contract # _____
 Monitoring _____
 Date: _____ Reviewer: _____

LABOR STANDARDS

Desk Monitoring Form

LS-4/5 Payroll/Statement of Compliance

Use a separate form for each contractor or subcontractor payroll reviewed.

1. Activity Name: _____

2. Name of Contractor/Sub: _____

3. Verified (LS-2/3): Yes No

4. Payroll Number: _____ 5. Date: _____ 6. Number of employees: _____

Review of the LS-4/5	Yes	No	N/A	Comments
7. Submitted timely				_____
8. Reviewed timely and initialed				_____
9. Name, address, SSN for all employees If No, list employees w/incomplete information _____ _____				_____
10. Complete classifications				_____
11. Overtime pay				_____
12. Apprentices/Helpers				_____
13. Statement of Compliance (LS-5)				_____
a. Correct deductions				_____
b. Appropriate original signature				_____
c. Fringe benefits: Cash <input type="checkbox"/> Plan <input type="checkbox"/>				_____
d. If plan, LS-14 & 17 in file				_____
14. WRD number and MOD:				_____

15. Select three employees and list below. If not three, explain:

	Name	Name	Name
a. Classification:	_____	_____	_____
b. Wage/Fringe:	_____	_____	_____

	Yes	No	N/A		Yes	No	N/A		Yes	No	N/A
c. Wage compares to WRD											
d. Fringes compare to WRD											
e. Overtime amount correct											
f. Deductions correct											
g. Includes documentation of deductions (LS-15)											
h. Math correct											
i. Apprentice/helper documentation											

LS-4/5 Compliant: Yes No

If NO, see follow-up letter/email dated: _____

Comments:

(rev 2/03)

Grantee: _____ Contract # _____
 Monitoring
 Date: _____ Reviewer: _____

LABOR STANDARDS **Desk Monitoring Form**
LS-9/10 (Interview & On Site Inspection)

Complete one for each LS-9/10 reviewed

Name of Employee: _____ Interview Date: _____

Review of the LS-9 – Employee Interview		Yes	No	Comments
1.	Section A: Complete			_____
	Correct			_____
2.	Section B: Complete			_____
	Correct			_____
3.	Section C: Complete			_____
	Correct			_____
4.	Information compares to LS-4?			_____
5.	Name of Payroll Inspector:			_____

6.	Date of Inspection:			_____
7.	LS-10 attached?			

Review of the LS-10 – On Site Inspection		Yes	No	Comments
8.	Complete			_____
9.	Date of Inspection:			_____

LS-9/10 Compliant: Yes No See follow-up letter/email dated: _____

(rev 2/03)

Grantee: _____ Contract # _____

Project Name: _____ Activity: _____

CONTRACTOR/SUBCONTRACTOR EMPLOYEE’S LABOR STANDARDS BRIEFING

1. This is a federally-funded project and as a result there are several labor standards requirements that must be met. These requirements are for the protection of you, the employee. The requirements cover several areas such as fringe benefits, wage rates, civil rights, discrimination, equal employment opportunity, etc.
 - a. You must maintain a daily time sheet/card. The contractor or subcontractor will provide you with one. This time sheet/card must include hours worked on this project as well as hours worked on other projects. The hours should be identified and posted separately:

Name & SSN of Employee				Name & Address of Employer					Pay Period: 7/4/98-7/8/98			
Project & Job Title	Hrs	S	M	T	W	Th	F	St	Total Hrs.	Hrly Rate	Gross Pay	
Oz CDBG Curb Cuts	R O		8		8	3	4	2	23 2	19.10/ 27.13	439.30/ 54.26	
Oz DOT Main St.	R O			6		2			8	11.25	90.00	
Yard	R O			2		3	4		7	13.73	123.57	
Total Hrs/Wages			8	8	8	8	8	2	42		707.13	
Deductions	FWH		FICA			Other			Other			
Employee Signature				Employer Signature					Net Pay \$			

Under Davis-Bacon, anything over 40 hours per week is considered overtime and must be paid at 1 1/2 times the rate of pay only, not on the fringe benefit. The time sheet/card must be turned in to your payroll office. A copy of each time card must be submitted with the payroll report (LS-4) to _____. Your signature on the time sheet indicates verification of your hours and pay, thus avoiding possible labor disputes.

- b. You should know what your job classification is according to the wage rate determination (WRD) for this project. Your job classification(s) is(are) _____.
- c. You need to know your rate of pay, the amount of your fringe benefit, and whether the fringe benefit is paid in cash or to a plan (health, dental, retirement, etc.).

Your wage rate is \$ _____

Your fringe benefit is \$ _____ per hour, cash or plan .

SLS-E (12/98)

- d. The prevailing WRD for this project is # _____, dated _____, and is located _____.
 - e. You must read the posters: "Non-Discrimination"; "Notice to Employees"; "Equal Employment Opportunity"; "It's the Law." You must also know where these are located and have access to them at all times.
2. In order to comply with labor standards requirements, the project will be monitored by _____.
- a. During the first month of the project, the monitoring will be conducted once per week. After the first month, the monitoring will be conducted once per month until the end of the project.
 - b. During the monitoring you will be observed as perform on the job.
 - c. You will be interviewed and asked a series of questions regarding your knowledge of paragraph 1.a through 1.e above.
 - d. Labor standards is a serious issues and the monitoring is for your protection. No harassment of any kind (sexual/flirtation/sarcastic attitude, etc.) will be tolerated.
3. If you have any questions, please refer them to _____
(contractor or subcontractor)
4. If you have any concerns that have not been addressed or that you may not feel comfortable asking your employer, please feel free to call _____. All calls will remain confidential unless they concern rate of pay or hours worked.
5. Your signature below verifies that you are signing of your own free will and have not been subject to any coercion in conjunction with any items in this briefing.

Person Conducting the Briefing

Employee Signature & Date

Please forward completed form to:

(This form is used by SEAGO to document employees awareness of labor standards issues. Use is voluntary but when used by by the labor standards administrator or contractor as part of an information briefing for employees, this form documents that employees are aware of the labor standards requirements and know what their wages should be.)

SLS-E (12/98)